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TOWN OF WESTON

EMPLOYEE HEALTH & BENEFIT CONSULTANT PROPOSAL

APRIL 27, 2017

Presented by:

Francis Gallagher, Senior Benefits Consultant

Martin S. Burger, CPCU, ARM, Risk Management Consultant



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FEE PROPOSAL



TOWN OF WESTON EMPLOYEE BENEFITS BROKER FEE PROPOSAL FORM

Directions: Complete this form in full. Note that Weston's contract will be awarded on a fee basis and that any and all fees will be paid directly from Weston. No commissions, fees, payments may be accepted by your and/or the company you represent in consideration of the performance of services to and on behalf of Weston.

Total fees for services provided from 7/1/18 – 6/30/19: \$30,000 *

Total fees for services provided from 7/1/19 – 6/30/20: \$30,000 *

Total fees for services provided from 7/1/20 – 6/30/21: \$30,000 *

Total fees for services provided from 7/1/21 – 6/30/22: \$35,000 *

Total fees for services provided from 7/1/22 – 6/30/23: \$35,000 *

** If Town of Weston enters CT Partnership, service fee decreases by \$10,000.*

By signing below, I acknowledge and accept the fact that Weston's contract award will be awarded on a fee basis and that any and all fees will be paid directly from Weston. I understand that no commissions, fees, payments may be accepted by me and/or the company I represent in consideration of the performance of services to and on behalf of Weston. I understand that this offer of services shall remain valid for a period of at least ninety (90) days from the date this RFP is due to Weston. I have read, understand, and have no objection to the scope of services contained in the RFP for Employee Benefits Broker. I submit this proposal in good faith and without collusion with any other person, individual or firm.

Name and Address of Respondent: Francis J. Gallagher, Marsh & McLennan Agency LLC

344 W. Main Street, Milford, CT 06460-2561

Name, Title and Contact Information (phone, email) of Authorized Representative:

Francis J. Gallagher, Senior Consultant

(W) 203-647-8817, (C) 203-885-8267, fgallagher@mma-ne.com

Signature of Authorized Representative: Francis J. Gallagher

Date of Signature: April 26, 2018

SECTION ONE

EXECUTIVE SUMMARY

Thank you for the opportunity to present the service capabilities of Marsh & McLennan Agency.

Marsh & McLennan Agency (MMA) is unique. The structure of our organization allows us to provide clients with resources which cannot be matched. As a member of the Marsh & McLennan Companies, the largest and most respected insurance brokerage firm in the world, MMA provides middle market companies and organizations access to the resources that are offered to our Fortune 500 clients. In addition to our vast in-house resources and experienced team members, MMA has strategic partnerships to provide solutions outside of the scope of our capabilities. These strategic partners have been vetted through our intensive due diligence process and provide the high level capabilities and services that our clients demand.

Our focus:

- **Intelligent Plan Management** – We help clients balance organizational objectives to manage costs, offer competitive benefits, and minimize administrative distractions, with real-life concerns for the welfare of employees, their families and their expectations for fair, understandable, and valued benefits.
- **Compliance** – We partner with clients to ensure all aspects of welfare plan compliance are closely monitored and carefully managed, through a rigorous tracking process supported with expert internal and external counsel and resources.
- **Strategic Planning** – We assist clients to develop and implement short and long term strategies and initiatives based on detailed analysis, metrics and contemplation of the impact on corporate and participant needs and objectives.
- **Improvement and Change** – Through proactive engagement, we continuously engage in information-sharing with clients, insurance markets and fellow employees to stay informed and current with current and emerging industry and business trends.

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We are excited to participate in Town of Weston's RFP and believe that the answers provided within reflect the outstanding business synergy currently between Town of Weston and MMA. This business fit will serve as the foundation upon which we continue to grow our relationship and assist you to reach your goals.

MMA's Approach Assisting Public Entities

MMA has a long history of working with governmental agencies, quasi-governmental agencies and/or other municipalities, or similarly situated organizations.

The Team assigned to the Town of Weston has a great deal of experience in the Large Group account and Public Sector arena. MMA also has several employees throughout our company that work exclusively in the Large Group marketplace and Public Sector arena that can be called upon to brainstorm and strategize on accounts. Due to the complexity of alternatively funded accounts, we have segmented MMA's Public Sector accounts.

By segmenting Public Sector accounts MMA is able to match the sophistication of our clients with the specific expertise of our associates. MMA also believes that the team servicing a Public Sector account needs to concentrate exclusively on the needs of that client. MMA finds that the Administration, Human Resources, and Finance staff of a Public Sector account does in fact have different needs than Private Sector groups. It is also important that our staff be able to easily and clearly identify the funding that is appropriate for this size or type of account. They must be able to understand claim trends, disease management programs and shock claims when this information is accessible. Their skill set must be very strong in the financial end of account handling.

Below are concrete examples of MMA's success with Public Sector entities:

1. **Public Entity, 1,400 employees:** \$30M Healthcare budget. MMA has become an extension of this county's Human Resource department delivering below trend renewal by managing the claims, carriers, and employee deliverables on a daily basis. The medical renewal was 2.93% increase (trended).
2. **Public Entity, 109 employees:** \$2.1M Healthcare budget; this borough realized \$300,000 in savings due to moving to the State Health Benefits Plan, as well as MMA creativity – weaving in a Health Reimbursement Account for Prescription Out-of-Pocket costs where actual costs only utilized 20% of overall fund.
 - Renewal with the State Health Benefit Plan resulting in a final overall +5.89% increase in premium from prior year.
 - Health Reimbursement Account utilization at approximately 40% of overall budgeted annual fund.
 - Due to the transition to the SHBP from the BMED, client experienced a savings of \$256,490.57, or 13.57%.
 - The Reimbursement Account was implemented to help retirees with the difference in prescription costs associated with the change from the BMED to the SHBP - \$89,770.00 was funded but only \$16,264.23 was utilized, saving the client another \$73,505.77.
 - Inclusive of the Reimbursement Account, savings over the BMED is \$299,046.61.
3. **Non-Profit 2,400 employees:** This client had a 15 year consultant relationship prior to MMA. The Sr. VP of Human Resources shared that the organization had received 3 straight years of “no increase” renewals from Oxford Health. We demonstrated that the carrier was not passing on increases because they were making a substantial profit on their risk, and likely wanted to avoid triggering an

RFP. He also confided that their claims had begun to “tick up” in recent months. We predicted they could expect a rate increase upwards of 30%-*it came in at 31.5%*. Utilizing our internal underwriting unit, we re-underwrote the risk and discovered numerous inaccuracies. In the past, the carrier had always employed a 70/30 weighting technique blending the most recent claims with the year prior. For this renewal, they deviated from that practice by only using the most recent claims, skewing the loss ratio and justifying their stated increase. We requested and gave a formal presentation to the HR team and CEO so we could outline our strategy to mitigate this \$2.5 million increase. We detailed how the market would view this risk, and told them we would conduct a full-scale marketing. We asked for apples to apples quotes, and one option-- by adding a 3rd alternative EPO, employees would have a 2nd low-cost option they didn’t have access to at present. We would not employ cost shifting (*increasing deductibles, out of pocket maximums, and increased co-pays*) to mitigate the increase. The market supported our findings. Because it was in the best interest of our client, with a very short window before Open Enrollment, we approached Oxford armed with our own internal findings, and the marketing results which supported our stance. **The net result was an 11.6% rate increase—which reduced their exposure by \$1.6 million.** Additionally, we added a multitude of services including Telemedicine, Health Advocacy, COBRA Administration, and negotiated \$10,000 from the carrier to bolster our Wellness Initiative. The CEO was overwhelmed by the “*breadth of services*” and savings we delivered.

SECTION TWO

BROKER PROFILE

Marsh & McLennan Agency (MMA) is a wholly owned subsidiary of Marsh, a leading global insurance broker and risk advisor, which since 2008 has served as a full-service insurance brokerage platform for middle market businesses and organizations. Leveraging the vast resources available through the operating companies of Marsh McLennan Companies, MMA benefits from the strong financial backing of Marsh McLennan Companies (MMC), a global professional services firm with approximately 55,000 employees and annual revenues of approximately \$14 billion. For more than 100 years, MMC and its operating companies - Guy Carpenter, the risk and reinsurance specialist; Mercer, the provider of HR and related financial advice and services; and Oliver Wyman, the management consultancy - have been delivering insurance and risk consulting services to organizations around the globe. MMC's stock (ticker symbol: MMC) is listed on the New York, Chicago, and London stock exchanges.



MMA is dedicated to serving the insurance needs of middle market companies like Town of Weston in the United States. Our services include risk consulting, insurance brokering, alternative risk financing, and insurance program management services for clients seeking expertise. Our highly experienced professionals have deep experience and expertise in commercial property & casualty insurance, employee benefits, and financial services.

Founded in 1926 as The NIA Group, MMA Northeast has been helping businesses and individuals meet the challenges of changing markets across three generations. Before joining Marsh & McLennan Agency LLC in 2009, the NIA group was the 25th largest insurance broker in the United States.

MMA's target market includes employers with 100 to 2,500 employees, although we have client companies that range from 100 to 10,000 employees. MMA's demonstrated expertise is with clients similar in size to Town of Weston as over 90% of our client base has 100-500 employees.



MMA Philosophy

As an organization we are passionate about, and 100% committed to, challenging the status quo in the employee benefits industry. MMA distinguishes itself by taking a **consultative, forward-looking approach** to benefit design and administration. MMA's approach is antithetical to the traditional transactional brokerage model. We believe in building long-term relationships, exceeding expectations, and delivering value to our clients on a daily basis. We accomplish this by developing customized benefit strategies which blend compliance, consulting, communication, and administration into a single platform we refer to as our 3D approach: *Define* the problem, *Design* solutions, *Deliver* results.



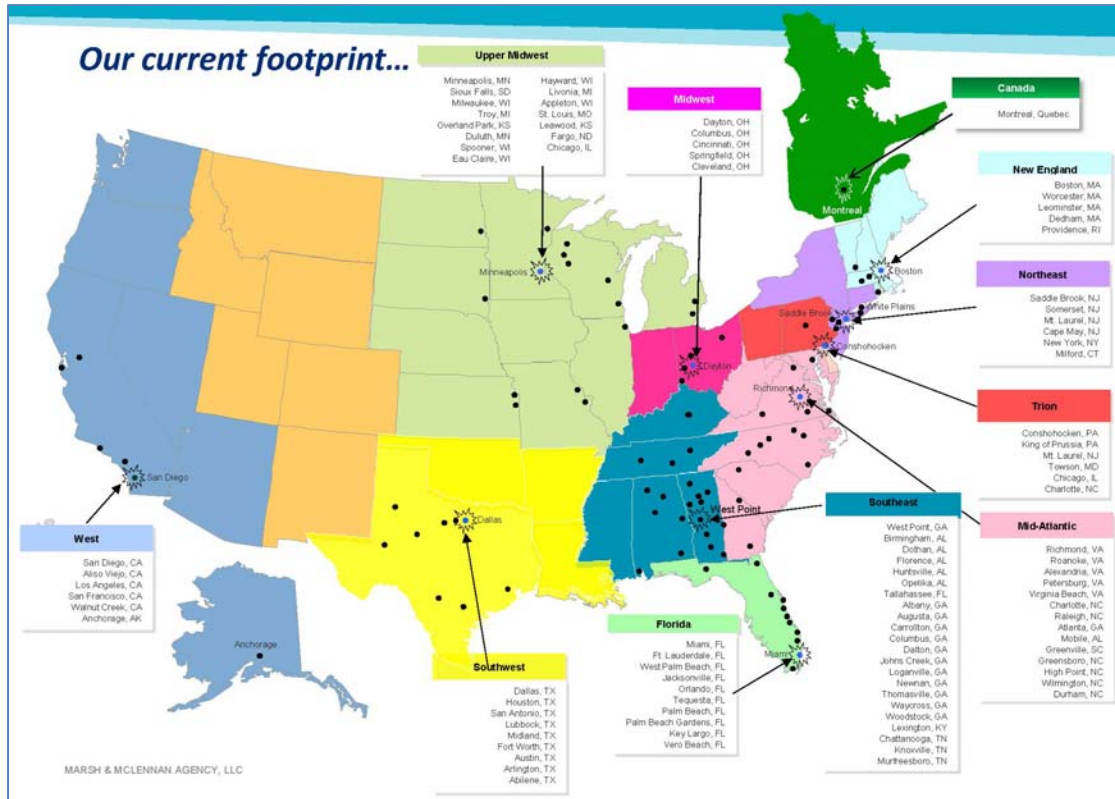
We begin by working closely with you to identify the **Six Degrees of Impact**, gaining an understanding of your leadership, strategic and market position, developmental goals, resources and desired outcomes. We then apply our 3D service model to define, design and deliver the solutions and resources to meet your needs. This strategic risk management process is focused on reducing Total Cost of Risk, while better managing resources. Innovation is at the very core of our culture and is the foundation of what we deliver to our clients. We team with our clients to define, design, and deliver innovative industry-specific solutions that help them protect their future and thrive.

We subscribe to a holistic approach to supporting our client's Employee Benefits portfolio. Specifically – our work plan notwithstanding – we look to play the ball where it will be, not just where it currently is. We strive to deliver tactical excellence on the field and strategic excellence from above the fray. This allows us to take a longer view of the daily challenges that is the ever-changing field of Employee Benefits.

Marsh 3D approach ensures that MMA delivers the very best results by defining measureable work steps and deliverables from the outset. It is a highly collaborative process that challenges both our clients and MMA to define, design, and deliver the optimal program.



MMA is comprised of almost 100 locations throughout the United States, with over 4,300 employees. Your company would be serviced by a client team in our Northeast region, which consists of 8 offices in Connecticut, New York, and New Jersey, with approximately 300 employees. The map herein shows all the MMA offices:



Connecticut

344 W. Main St.
Milford, CT 06460
203-876-6100 • 877-964-6300

New York

565 Fifth Avenue, Suite 0500
New York, NY 10158
212-850-0174 • 800-321-2122

605 Third Avenue, 24th Floor
New York, NY 10158
212-850-0174 • 800-321-2122

50 Fountain Plaza, Suite 1400
Buffalo, NY 14202
716-648-5000 • 800-701-0313

New Jersey

Park 80 West, Plaza Two
250 Pehle Avenue, Suite 400
Saddle Brook, NJ 07663
201-845-6600 • 800-642-0106

One Executive Drive, 3rd Fl.
Somerset, NJ 08873
732-941-3100 • 800-669-6330

510 Bank Street Commons
Suite 200
Cape May, NJ 08204
609-884-8431 • 800-642-3710

18000 Horizon Way, Suite 400
Mt. Laurel, NJ 08054
856-380-7654 • 800-811-7658

Marsh's participation within the industry includes membership and event participation in many associations and industry activities. For example:

- National Association of Health Underwriters
- American Society of Healthcare Risk Managers
- California Association of Physicians Groups
- CT Association for Healthcare at Home
- Florida Health Care Association
- Guilford Medical and Dental Managers Assn
- Florida Hospice & Palliative Care Association
- Leading Age
- Massachusetts Council for Home Care Aide Services, Inc.
- Medical Group Managers Association
- New England Home Care Association
- Professional Liability Underwriting Society
- Virginia Society of Healthcare Risk Managers
- Virginia Health Care Association
- Wisconsin Assisted Living Association
- Wisconsin Health Care Association
- American Subcontractors Association
- Associated Builders and Contractors
- Construction Financial Management Assoc.
- Construction Professionals Network of North Carolina
- District of Columbia Building Industry Assoc.
- Washington Building Congress
- Manufacturers Alliance for Productivity and Innovation (MAPI)
- National Association of Manufacturers
- Metals Service Center Institute (MSCI)
- Major regional and local associations
- Risk and Insurance Management Society

SECTION THREE

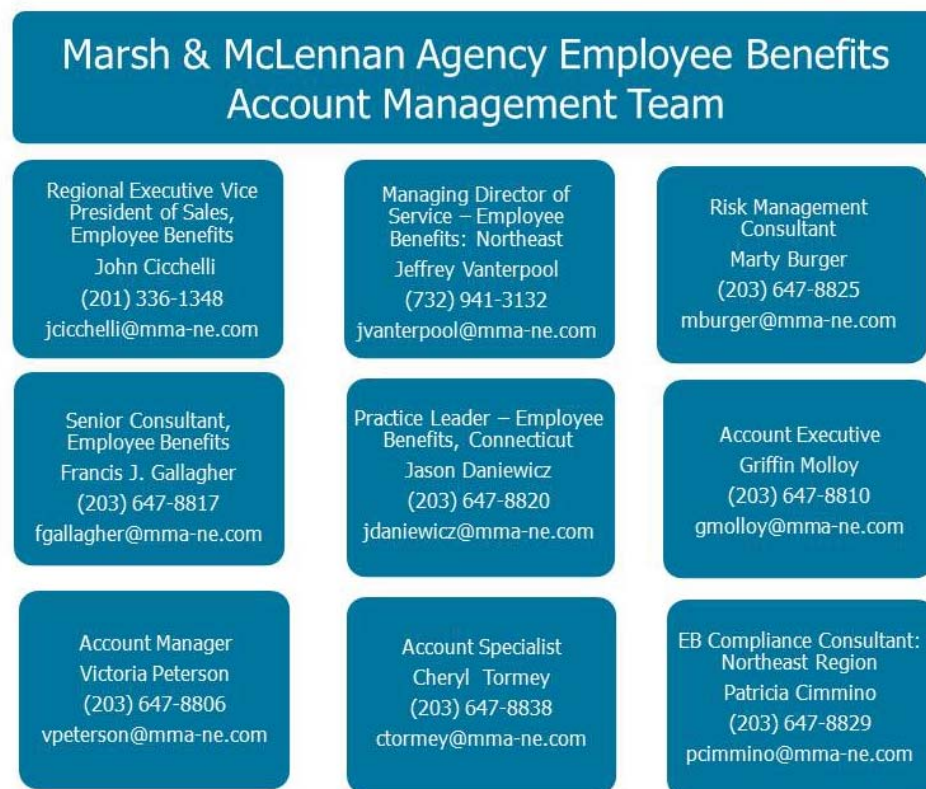
LAWSUITS, JUDGEMENTS, CLAIMS

Marsh & McLennan Agency LLC (“MMA”) is a national insurance agent and broker and does business in all of the 50 states in the U.S. From time to time, MMA is subject to various claims, lawsuits and proceedings, including those concerning alleged errors and omissions or breach of contract claims in connection with the placement of insurance and in rendering services for our clients. MMA is committed to serving its clients to the highest professional and ethical standards. MMA has entered into consent orders with the Insurance Departments of various states to resolve questions over alleged insurance law violations. In some cases, these consent orders have included monetary fines. There are currently no such matters open or pending. All previous matters were reported to the states in accordance with state insurance laws and can be viewed in the NAIC’s PDB. MMA places a very high priority on regulatory compliance and has never experienced the loss of any insurance license as a result of any disciplinary action. MMA has not been suspended from bidding or entering into any government contracts.

SECTION FOUR

ENGAGEMENT TEAM

The Town of Weston will have a dedicated account team that will consist of several members responsible for day-to-day client interaction as well as developing an overall account strategy. The team will include a MMA management contact to ensure that we have effective communication at all levels within MMA and Town of Weston. An experienced and professional staff specializing in plan design, cost analysis, and employee relations will be responsible for this assignment. All staff hold appropriate licenses and below are biographies outlining their experience and responsibilities.



John E. Cicchelli, Executive Vice President of Sales - Employee Benefits: Northeast. John has 20 years of Employee Benefits experience and is responsible for overseeing the Employee Benefits Division for Marsh & McLennan Agency Northeast Region. His past job responsibilities involved initiating and developing sales and product strategy for major Insurance companies as well as employee benefits consulting for clients. John's ability to tactfully navigate and evaluate an insurer's methodology assists in better transparency for clients on many aspects of the components of their plans. Additionally, he prides himself on being able to dissect client's claims data, utilization and trends and then re-sculpt that data into predictable and controllable outcomes for clients which results in yielding tangible ROI for his clients' bottom line.

John is an expert in ancillary products with underwriting experience for more than 25,000 groups throughout his career. He has been a valuable resource for both clients and other consultants on proper

evaluation of plan design and assertion of risk, and has written numerous articles for National Underwriting. John is a Graduate of the University of Maine.

Jeffrey Vanterpool, Managing Director of Service - Employee Benefits: Northeast. Jeff has over 25 years of Employee Benefits experience and is responsible for managing Operations for the service department of the Employee Benefits Division of Marsh & McLennan Agency Northeast Region. His past experiences within account management, underwriting, sales, and management have enabled Jeff to consistently provide solutions to organizations throughout a diverse market. Jeff's extensive client management experience has enabled him to maintain focus on the goals and objectives of the client while identifying and understanding the culture of the organization.

Jeff is a former accident and health underwriter and has underwritten hundreds of risks while at CNA Insurance and Empire Blue Cross and Blue Shield. He also served as the Director of Underwriting for a NYC Benefits Consulting firm where he provided cost and claims analyses and developed renewal projections and rate rationales utilizing national, regional, and local benchmarking data. He is proficient in all funding arrangements and specializes in identifying the most cost-effective funding arrangement and providing education of the advantages and disadvantages of each arrangement for clients.

Jeff's experience and proven track record of success within Employee Benefits will be invaluable in meeting the goals and strategic objectives of our clients.

Jeff is a graduate of Stony Brook University.

Marty Burger, CPCU, ARM. Insurance and Risk Management Consultant dedicated to assisting businesses, non-profits, and municipalities achieve their goal. As a risk management consultant and business strategist, Marty is dedicated to ensuring the highest level of service for his clients while protecting assets, reducing exposures, and designing strategic competitive insurance programs.

Francis J. Gallagher, Senior Consultant, Employee Benefits. Fran has over 16 years of Employee Benefits Experience. Fran is currently responsible for new business as well as consulting with existing clients. His job responsibilities include educating prospects and clients on the latest trends in the industry, compliance, communications, marketing and facilitating the resolution of challenges that may arise. Fran focus' on uncovering opportunities for clients and prospects to improve employee benefits while controlling cost. He has worked with clients with diverse benefits from traditional plans to self-funded plans to captives. Fran also is a member of the Knights of Columbus. He and his wife Karen are also Foster parents through Family and Children's Aid in Connecticut.

Fran is a graduate of King's College with a Bachelor's degree in Marketing. He is also licensed Life and Health Insurance producer.

Jason Daniewicz, Practice Leader – Employee Benefits, Connecticut. Jason Daniewicz obtained a vast wealth of business knowledge pertaining to insurance benefits and financials early in his career as a Financial Adviser. At MMA, Jason's focus on Employee Benefits, coupled with his experience within the financial industry, has provided him with a comprehensive knowledge base to draw from to identify client needs and customize unique financial solutions.

Jason is experienced in all areas of insurance financing including, fully insured, self-funding, and captive programs. He is co-founder of the "Health and Rx Advocate" a program developed to significantly impact utilization and reducing health related costs.

Jason recently joined the MMA leadership team as Benefits Leader for the CT Region. In this new role Jason looks forward to motivating his team to exceed sales and service expectations Jason enjoys Golf and resides in Southington, CT with his wife and son.

Griffin Molloy, Account Manager: Griffin has 10 years of experience in the Insurance Industry, most recently working as an Associate Consultant with Mercer. He obtained his undergraduate degree from University at Albany and recently completed a Masters in Human Resource Management from Boston University. In addition he has attained the Certified Employee Benefits Specialist (CEBS) designation.

Griffin specializes in health & welfare plans, benefit enrollment & communication, supplemental benefits, and offers advice regarding legislation and compliance. He is responsible for the design, funding, and service of employee benefit plans, a resource to clients regarding group medical, dental, life, disability, section 125, and wellness initiatives.

Griffin enjoys snowboarding and sports, and lives in CT with his wife Paola.

Victoria Petersen, Account Manager, Milford, CT. Victoria Petersen has over 10 years of customer service experience, and has worked in the healthcare and insurance industries. Her strengths include data analytics and problem solving; she spent 5 years in the healthcare industry recognizing patient satisfaction trends throughout different areas of a hospital and developing plans to improve satisfaction statistics.

She is very skilled at using Excel, PowerPoint, and other technology platforms which are skills she uses to help meet her client's needs on a daily basis. Victoria has coordinated the implementation of benefit administration systems for clients, and uses her analytical skills to review all plan options and help clients make the most well informed decisions they can for their benefits. Victoria resides in Milford, CT; she enjoys cooking, the New York Rangers, the New York Mets, and live music.

Cheryl Tormey, Account specialist. Cheryl has been an Account Specialist for a little over 2 years. However, Cheryl brings 19 years' of experience in the insurance industry. She started her career at Health Net, formerly PHS (Physicians Health Service). With an extensive background in customer service, finance (account reconciliation) and sales, resulting in a vast array of skills. Her attention to detail, resolve and friendly demeanor aid her well in her Account Specialist role at MMA. Her focus is on relationship building and assistance with complex service issues. Cheryl loves entertaining family and friends. She resides in Monroe CT, with her husband of 25 years,

Patricia Cimmino, Employee Benefits Compliance Consultant. Patty has over 24 years' experience in Group Employee Benefits. She began her career in 1993 with MD Health Plans which later became Health Net. In 2001, Patty joined Marsh & McLennan Agency (MMA), as a Benefit Specialist and currently specializes in groups with 100+ eligible employees and is the compliance consultant for our Northeast region. Patty's experience working with both brokerage firms and insurance carriers enables her to apply a broad range of customer service and account management skills. Patty is consultative and analytical, allowing her to focus on all sized markets.

Patricia received her Bachelor of Science degree in Business Administration from Albertus Magnus College in New Haven, CT. She also holds a Life & Health insurance Producer's license and is PPACA certified.

Account Team Strategy

MMA's Advisory Team will customize an annual service calendar/plan for Town of Weston. The document is used as a tool to benchmark and determine client deliverables and timelines. Throughout the year, we will meet in person, via webinar or via conference call to discuss strategy, review claims data, plan for and conduct open enrollment. MMA's service calendar includes Open Enrollment meetings, pre-renewal meetings, renewal meetings, and a wrap up meeting at the close of open enrollment. MMA also coordinates meetings with current carriers to discuss service and products. MMA meets with each client annually to provide an Engagement Report (formerly the Stewardship Report (see sample in Appendices) where we seek feedback on our performance.

SECTION FIVE

SCOPE OF SERVICES / EXPERIENCE

Marsh & McLennan Agency (MMA) is a perfect business partner for Town of Weston. MMA works best with clients that are searching for a strategic business partner versus a vendor relationship. It is evident from your Request for Information that Town of Weston is seeking a total benefits brokerage / consulting firm with the full range of services related to the design, implementation, maintenance, and improvement of their benefits insurance programs for its employees. Benefit Plan Design is a critical component for employers when their desire is to attract and retain the finest and brightest. MMA is able to seamlessly design all aspects of the benefits programs in an integrated and consolidated basis. This allows both Town of Weston and MMA to create a communication and engagement campaign that promotes the benefits package offered in the best possible light. Our goal is to deliver the appropriate benefits with cost-containment strategies to maximize our client's benefits spend.

As an organization, we are passionate about, and 100% committed to challenging the status quo in the employee benefits industry. MMA distinguishes itself by taking a consultative, forward-looking approach to benefit design and administration. MMA's approach is antithetical to the traditional transactional brokerage model. We believe in building long-term relationships, exceeding expectations, and delivering value to our clients on a daily basis. We accomplish this by developing customized benefit strategies which blend compliance, consulting, communication, and administration into a single platform we refer to as our 3D approach: *Define* the problem, *Design* solutions, *Deliver* results.

MMA's vision is to be a world-class leader, revolutionizing our industry and our client's experience. We deliver Fortune 500 tools, resources, and solutions which: Streamline administration, improve compliance, and boost productivity, while maximizing our client's benefit spend.

MMA feels that there are two major challenges in the healthcare industry that we can help Town of Weston face:

- ACA Reporting and Compliance-MMA has their own proprietary tool that will assist our clients with the tracking of data to satisfy Section 6055 and Section 6056. We also have a Health Care Reform Modeling tool that imports all of our client's data to determine where they stand regarding the 2020 Excise Tax. As an MMA company, we have several trained Health Care Reform subject matter experts to assist our client. We also have ERISA Attorneys on staff and on retainer to assist when needed.
- Controlling escalating claim costs- MMA has their own Data Analytics and Informatics system. We are able to retain up to 36 months of historical data, ensure consistency in measurement and reporting, mine data for recommendations specific to your population's results, track health plan cost management strategies, partner with vendors that can improve communication and engagement strategies and audit vendor reports. We also access our own physicians to review high claims and claim trends. By implementing our system, our clients have gotten a better handle on their claims and have brought their overall health care costs down.

Benefit Program Design and Renewals / Voluntary Benefit Programs

MMA uses the following five stage approach to help our clients best manage their employee benefits program and to outline a benefits strategy consistent with both current and future business plans.

Phase I: Discovery

One of the key objectives of the “Discovery” phase of the project is to develop a set of Guiding Principles for the benefits review. These Guiding Principles will touch on issues such as:

- What is Town of Weston’s desired competitive position related to benefits?
- How will success be measured?
- What are the financial targets that must be achieved?
- What is the role of the employee in your benefit offering and decision making?
- What are the internal and external constraints to making changes to Town of Weston’s benefit programs?
- How do we ensure that employees “value” their benefits?

MMA will seek input from the designated Town of Weston team in order to determine the role of benefit plans in meeting Town of Weston business needs and identifying the key drivers for a successful program. We believe that this discussion is critical in assessing the magnitude and type of change that will best address Town of Weston priorities and in developing an effective benefits strategy. Discussion questions will be designed to address the following areas:

- Business environment, strategic direction, and challenges
- Perceptions regarding current programs (competitiveness, quality, employee views)
- Opportunities and readiness for change
- Financial resources available to support the benefit plan now and over the next five to seven years
- Communication environment and processes

MMA will develop a discussion guide for your review, conduct the discussion and summarize the feedback. This input will serve as a strategic footprint in the assessment of your benefit programs. Based on our facilitated discussion with Town of Weston, our Client Service Team will prepare a documented summary of the guiding principles against which future benefits strategies can be tested.

Phase II: Analysis

Our focus during the “Analysis” phase will be twofold:

1. Perform competitive benchmarking utilizing MMA’s proprietary tools. Specifically, we will assess Town of Weston benefit programs from several perspectives including:
 - a. Plan design and overall plan offering
 - b. Employee cost share and contribution strategy
 - c. Health management and other employer wellness efforts
2. Develop a baseline summary of Town of Weston current benefits program containing:
 - a. Key plan design provisions
 - b. Employee cost-sharing levels
 - c. Town of Weston; net costs

Using the results of the competitive benchmarking analysis, we will provide Town of Weston with a summary report of the benchmarking results and highlight key strengths and weaknesses of Town of Weston current benefits program. We will also comment on the extent to which benchmarking and baseline results align with Town of Weston guiding principles.

We also suggest that a “milestone” meeting be scheduled with the Town of Weston team to review findings and gain additional input relevant to the design phase.

Phase III: Design

At the conclusion of the “Analysis” phase, MMA and Town of Weston will have insight into market data and employer-specific trends. The combination of these resources will enable MMA team to use analytical tools and processes, as well as innovative thought leadership, to create a customized solution based on Town of Weston business needs and guiding principles.

During the “Design” phase, MMA will provide the following, at a minimum, for all design and strategic alternatives:

- Employee and employer cultural impact in the short and long term
- Administration and systems requirements and resource needs
- Financial impact and strategic implications in the short-term and long-term
- Various options based on tolerance for change, future business needs, and employee readiness

Depending on “Analysis” phase results, MMA will prepare alternative strategies for your consideration. We will present the alternatives in a summary report highlighting the key factors outlined above.

Phase IV: Decision Making

During the “Decision Making” phase, we will meet with Town of Weston team to present the alternative design concepts and all relevant benefit, cost, transition, and implementation implications, as well as any associated risks and potential returns. We will work with Town of Weston to help form a consensus regarding recommendations, as well as considerations for management and employee engagement.

Phase V: Implementation and Ongoing Services

Implementation can consist of a wide variety of functions, ranging from plan design confirmations, to contract review, to vendor interface (including coordination of annual enrollment administration).

Proper implementation is key to an employee’s initial perception of the new program. Studies reveal that employees place a higher value on programs that have been communicated in a clear, concise manner. Explaining the nuances of how to maneuver through the health care system will provide great value not only to Town of Weston but to your employees as well.

Managing Vendor Relationships

Understanding our client's needs and carriers' risk tolerance over the past 30 years has created trusted relationships in the marketplace. Demonstrating a clear understanding of the risk and leveraging the requisite data are paramount to the marketing process and subsequent carrier negotiations.

Carriers understand MMA represents our client's best interest. MMA requires full disclosure and transparency from all parties involved. All proposals are reviewed for accuracy based on the RFP submission. The MMA team then reviews the offers received from multiple carriers and prepares a finalists presentation; we then meet with your team to discuss our findings and select the appropriate carrier(s). At times we will request vendors to attend a finalist presentation. Our team drives this process on each line of coverage.

Pharmacy spend is an example of MMA's negotiating capabilities. Many prospects we meet are unfamiliar with the intricacies of Rx/PBM contracts. These documents are lengthy, and intentionally vague. We typically find the average employer spending 8% to 20% more because incumbent brokers (*and carriers*) don't fully understand pharmacy economics. MMA arguably has the strongest contract in the industry, at present. Our negotiated pharmacy coalition discounts deliver substantial savings through aggressive AWP pricing; lower dispensing fees, and the best pharma rebates on brand and specialty drugs available. The threat of losing the Rx invariably brings carriers to the table with concessions, and avoids any disruption.

Municipality Case Study / Carve-Out

Client: Carved-In/Fully insured, 1,400 employees with 2,800 members, generic fill rate initially at 42%

- A detailed claims analysis identified cost-savings opportunities through implementation of carrier prescription programs.
- No benefit or program changes the first year and no employee co-payment plan changes Years 1 thru 6.

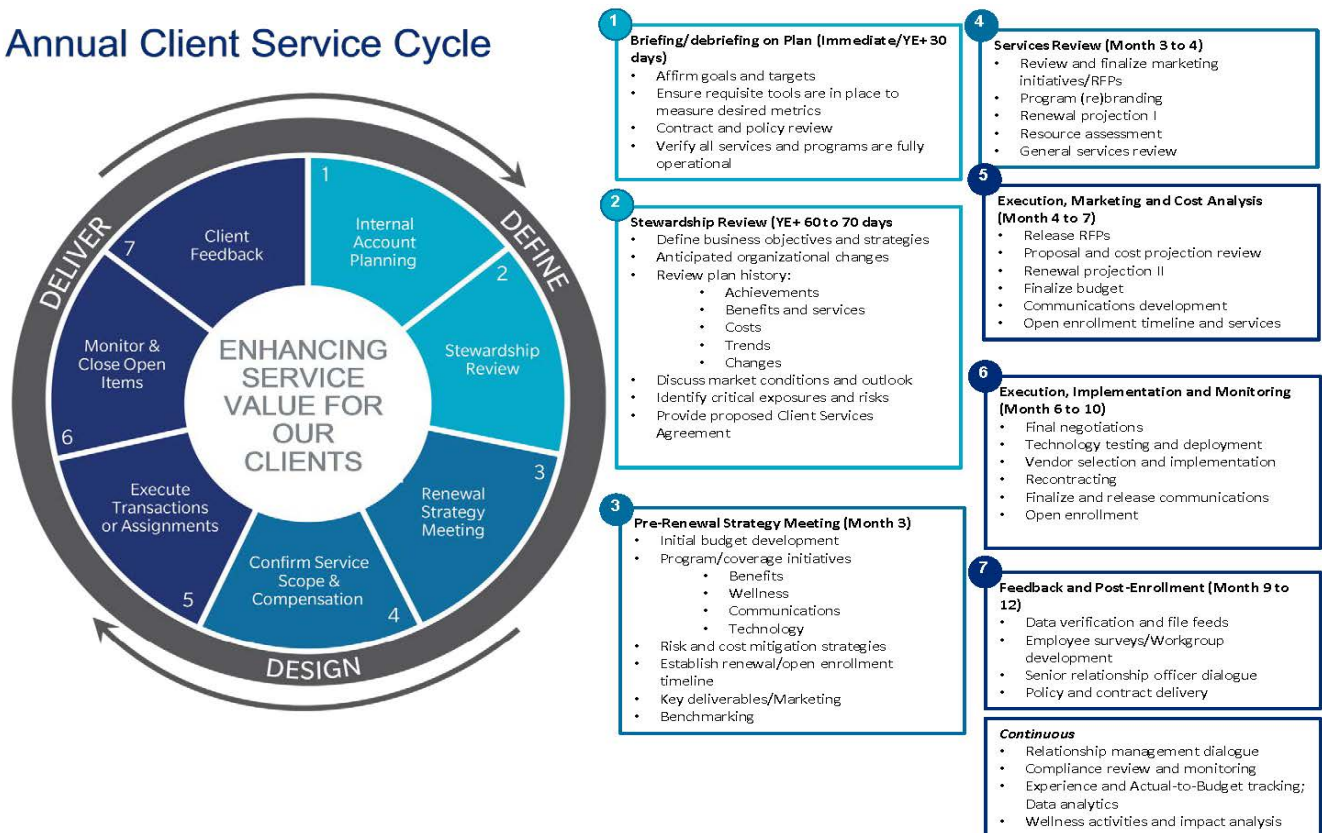
	Generic Fill Rate	Amount of Savings	Percent Savings
First Year – 2010	59.8%	\$1,650,445	19%
Second Year – 2011	67.2%	\$2,291,526	24%
Third Year – 2012	73.7%	\$4,670,957	43%
Fourth Year – 2013	76.7%	\$5,796,362	56%
Fifth Year - 2014	63.0%	\$6,487,735	56%
Sixth Year – 2015	68.0%	\$8,040,117	62%
Total Six (6) Year Savings		\$28,937,142	

Timeline/ Service Plan

MMA will have a dedicated service team assigned to Town of Weston. It is their job to set strategy and execute. Our teams will be in constant communication with all key personnel of Town of Weston. They will be following our service calendar and timelines that will ensure that all critical services and tasks are completed. In addition, our team will meet at minimum quarterly to discuss all aspects of the benefits program. Detailed meeting notes are taken during every meeting and released within 72 hours of the meeting summarizing what was discussed as well as action items/open items for both MMA and Town of Weston Enterprise staff so that all goals and objectives are met. As we move toward open enrollment, both conference call and face to face meetings will take place so that a smooth open enrollment process takes place.

We customize our service plan to meet the individual needs of our Clients. We create and review a service calendar that specifies a minimum number of visits, webinars, and conference calls. Throughout the year various members of the team meet in person, via webinar, or via conference call to discuss strategy, review claims quarterly, meet with current carriers to discuss service and products, plan for open enrollment, conduct open enrollment, conduct the annual engagement meeting (Sample report in Appendix A), wellness meetings, pre-renewal meetings, renewal meetings, and a wrap up meeting at the close of open enrollment. It is our experience that our teams may be in communication with our clients on a weekly basis.

Annual Client Service Cycle



RFP Process

Developing a service calendar from the beginning of our engagement provides both of our organizations with a road map and establishes confidence that a plan is in place and we can measure our progress. We meet throughout the year to evaluate the effectiveness of the long term strategy. Our entire team is engaged in the process and we will track on a monthly basis:

- Employee count
- Administrative (fixed cost)
- Medical spend
- Pharmacy spend
- Dental spend
- Average cost per employee
- Review high level claims
- Specific and aggregate stop-loss claims

This tracking eliminates any surprises through the renewal process. Based on vendor performance, together we can determine what lines of coverage require marketing. The goal is to align ourselves with you, for a long term, trusted relationship.

Your Health and Welfare expenditure is likely one of your largest budget items in any fiscal year. We believe it is important to keep a close eye on the dollars being spent to ensure financial accuracy and swift identification of any “red flags” requiring immediate attention. Our team consists of several financial experts with finance and underwriting backgrounds; uniquely experienced and equipped to effectively manage your program financials and keep you informed accordingly. We are committed to staying ahead of cost patterns & trends. It’s our view that The Town of Weston should never be “surprised” with how the program is running. MMA assures you will have the support, documentation, and resources you need to make informed decisions and advance forecasting.

MMA will release a Request for Proposal to the marketplace in order to review all of your vendor options at renewal. Evaluating, negotiating with, and recommending insurers and vendors to our clients are MMA specialties. Our position in the marketplace allows us to enjoy preferred financial arrangements with insurance vendors and third party administrators across the United States. We actively cultivate long-standing relationships with major carriers and those relationships allow us to negotiate aggressively and obtain cost-efficient proposals for our clients.

As we negotiate with vendors, we will also examine your claim activity, establish the necessary types of coverage consistent with your risk tolerance, choose carriers that provide superior services, and adopt the optimal funding mechanisms for your specific needs. We validate the renewal financials through reliable benchmarking sources and our in-house underwriters.

We believe our chief responsibility in managing renewals is to ensure our clients get the best possible outcomes with a coherent long-term strategy. However to do this effectively, requires expertise and market purchasing power in this rapidly changing health care market. As the world’s largest brokerage/consulting firm, we are accustomed to working with employer groups on their unique challenges. Many of our staff have underwriting or vendor account management experience and use this in focusing the carrier on the needs of our clients. We are in the marketplace every day and have superior understanding of what is available, what works, and each carrier’s strengths and weaknesses.

Benchmarking

MMA uses information from various reputable resources to include, but not limited to the following:

- Kaiser/HRET Employer Health Benefits Survey
- International Foundation of Employee Benefit Plan Plans
- Mercer National Survey of Employer Sponsored Plans-details below

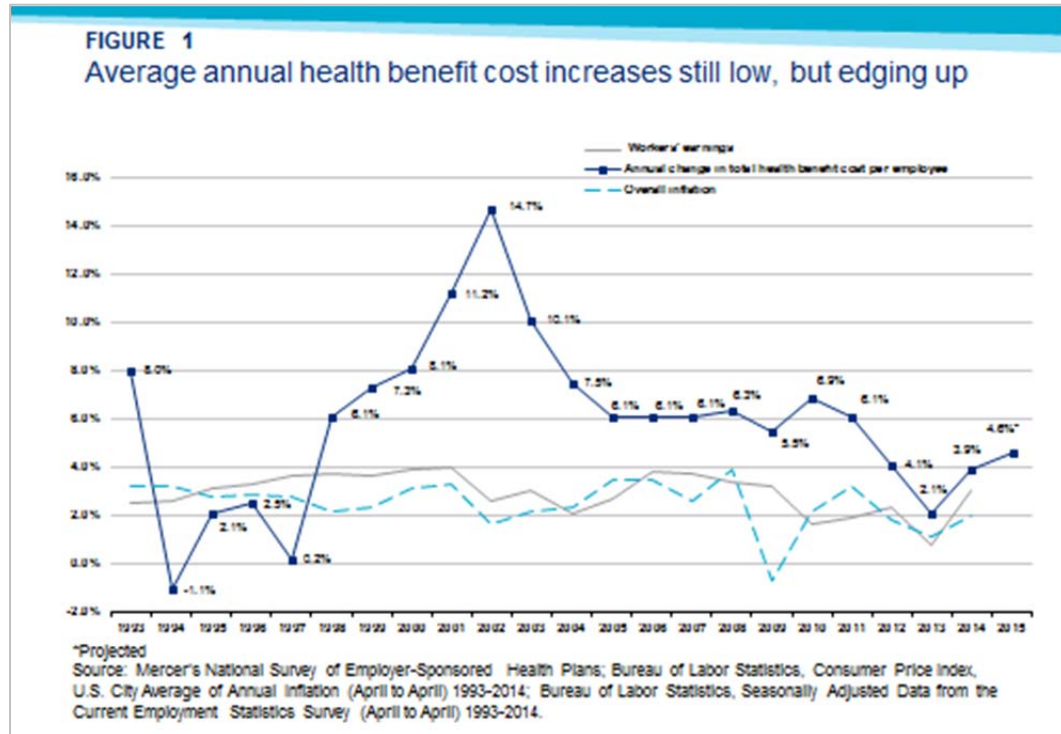
Using the results of these benchmarking tools, MMA will provide Town of Weston with a summary report of the benchmarking results and highlight the key strengths and weaknesses of your benefits program. We will also comment on the extent to which benchmarking and baseline results align with your guiding principles.

We have complete access to:

- *Mercer’s National Survey of Employer Sponsored Health Plans:* Premier source of health benefit data for employers.
- **Most Participants.** Over 2,500 employers participated in 2017, more than in any other survey on the topic.

- **Sharpest Focus.** Mercer's health benefit experts frame the questions so you get the data you need.

Sample Reporting:



Voluntary Benefit Program/Plan Design Philosophy

With more than 20+ years of experience with these products and exposure in working on thousands of prospects surrounding these types of coverages, the MMA team is well suited to develop strategy on best coverage options, enrollment/communication and carrier selection. MMA will provide a dedicated Voluntary Strategist as part of the team associated with the Town of Weston account. Our team will not only evaluate current plans offerings, Employer/Employee exposure and existing contractual terms but also coordinate with MMA's benchmarking data to provide tangible solutions and strategy moving forward in order to achieve the following:

- Evaluation of current plans in place both on an employer & employee paid basis and determining where gaps of coverage may be in order to evaluate exposure
- Mutually agreed upon strategy based on company objectives & strategic direction
- Proper process in surrounding complete enrollment & communication of these plans as well as other aspects of The Town of Weston's Employee Benefits portfolio.
- A Demographic Analysis is completed on each Group utilizing the age, gender, dependent status, date of hire & salary. This will allow MMA to recommend the Voluntary Products that meet the specific needs of your employees and their families.

Renewal Analysis and Negotiations

MMA will take the lead in the creation of a competitive employee benefits marketing strategy for Town of Weston. Partnering with the proper vendors is of critical importance. For all plans, detailed provider and disruption reports are generated. From there, underwriting and analytic tools, combined with carrier negotiations, ensure the plan financials are in line and as competitive as possible. MMA never assume the carriers data and is accurate. We use our own underwriting tools to verify carrier data, challenge carrier positions and assumptions, and negotiate all renewals - typically resulting in lower cost for our clients.

MMA believes our job in managing renewals is to make sure our clients get the best deal possible for both the short-term and long-term. However to do this effectively, you need the right expertise and market purchasing power in this rapidly changing health care market. As the world's largest brokerage/consulting firm, we are accustomed to working with employer groups on their unique challenges. Many of our staff have underwriter or vendor account management experience and use this in focusing the carrier on the needs of our clients. We are in the marketplace every day and have superior understanding of what is available, what works, and each carrier's strengths and weaknesses.

Our role in renewal analysis and negotiations typically include:

- Provide a pre renewal projection at least 120 days in advance of the renewal.
- Evaluate current cost management strategies and establish a plan to control current and future costs for health and welfare benefit plans.
- Evaluate alternative delivery systems and funding.
- Analyze premium levels, claims, reserves, administrative expenses (retention), stop loss reserves and margins.
- Analyze and negotiate Medical, Pharmacy, Dental, Life, Accidental Death & Dismemberment, Disability, Employee Assistance Program, Vision, Legal, and Health Savings Accounts (HSA).
- Provide assistance with premium/claim cost projections for budgeting and comparative purposes. Evaluate medical trend and future increases. Prepare optional budget calculations for consideration based on historical results and industry standards.
- Evaluate proposed renewal action of all carriers and negotiate on behalf of Town of Weston.
- Provide Town of Weston with regular updates on new benefit ideas, trends, and ongoing suggestions on cost containment.
- Provide an annual report including financial analysis, utilization, graphics, and summary of the plan's activities during the year.
- Utilize the Strategic Forecasting Model (SFM) to illustrate future plan costs, compare them to our client's affordable rate of cost increase, identify any "funding gap" that may result and basic and advanced cost-saving strategies, and also develop a comprehensive three-to five-year action plan.
- Utilize the Annual Renewal Evaluation to review the proper calculation of reserves, benefit changes, large claims adjustments, administration and stop-loss fees, premium, profit, and claims expenses based on prevailing practices to support vendor negotiations.
- Provide the Annual Budget & Contribution Report (BC), a detailed analysis to include a cost estimate of the plan and budget for the policy year. Further analysis is included for any plan design changes and expected enrollment shifts attributed to the plan design and contribution levels changing. Contribution Analysis to include options to consider for the employee/employer pricing as it relates back to the budget and plan design for the policy

- year. This is an extremely valuable analysis as consumerism is explored and plan designs are modified. Many employers and carriers are struggling with how to position the plans and the contributions accordingly.
- Provide the Annual Reserve Analysis (IBNR), a projection of the reserves needed for a self-insured plan.

Additional renewal analysis and negotiations include:

- **Multi-Year Benefits Strategy** – MMA works with numerous companies to develop long-term strategies to achieve their specific benefit objectives. MMA then helps our clients translate the long-term strategy into year-by-year tactical plans.
- **Plan Design** – MMA implements custom design solutions across every delivery model (for example, PPO, EPO, and HMO), plan type (medical, dental, and vision) and across different funding options (for example, fully insured, self-funded, and minimum premium). Our design solutions can include incentives for plan participants to use care wisely and to access information about health conditions, treatment cost, and quality.
- **Health Management** – MMA works with many companies on targeted and comprehensive approaches to managing population health. Our deep expertise ranges from wellness to health-risk reduction to chronic condition management to acute conditions and complex care management.
- **Benefit and Employee Contribution Strategy** – Based on vendor selection and the finalized plan design, we work with clients to develop premium equivalents, employee contributions, and COBRA rates. We work with the client to review the existing contribution strategy and then refine that strategy, if appropriate, so that it aligns with current corporate and human resources objectives.
- **Program Integration Related to Mergers and Acquisitions** – From our extensive experience with merger and acquisition (M&A) consulting projects, we know that having a highly organized M&A process that is strongly aligned with business objectives is a critical factor in merger success. Integrating benefit programs effectively is a key part of that process. MMA has considerable depth of dedicated resources to support our clients in mergers and acquisitions and divestitures.
- **Consumerism (also known as CDHP)** – MMA has invested in, and maintains, a National Consumerism practice that focuses exclusively on incentive-based design and corresponding account features. Using tools, analysis, and expertise developed by this group, we are able to make tailored recommendations for appropriate programs, embedded features, and financial impact.

Expertise in Alternative Funding Methodologies, Captive Models.

- **Funding Alternatives** – MMA is very familiar with all of the different types of funding options available in the marketplace. We have the technical ability to evaluate our client's rating structure, claims, benefits; short/long term plan, financial solvency and risk tolerance to determine what funding methodology will serve them best. The funding options that we review are as following: Fully Insured Participating and Non-Participating Contracts, Minimum Premium and Partially Self-Funded with specific only and specific and aggregate coverage.
- **Stop Loss Capabilities** – MMA will provide a large team of experts with infinite experience in all segments of the health care industry, including the placement of stop loss insurance coverage. Our stop loss specialists have assisted many clients with the placement and renewal of stop loss insurance. Many vendors view MMA as having the broadest and deepest stop loss coverage expertise in the industry, as well as the highest professional standards in all stop loss dealings. All of MMA's stop loss specialists undergo in-depth and continual training to ensure that any stop loss contracts will not only meet our internal guidelines, but will effectively minimize risk to our clients.
- **Benefits Captive** – MMA's Benefits Captive enables mid-size employers to better control annual health care costs, similar to what large employers have been doing for some time. And the creative financing and aggregated purchasing arrangements of this integrated, full-service product provide a unique opportunity to maximize the return on long-term cost and risk management strategies.

Benefits of the MMA RightPath Captive include:

1. Reduce medical/Rx plan stop loss net annual cost up to 50% - 60%
2. Maximize ROI for effectively managing employee health risk
3. Avoid taking more risk to reduce annual stop loss premium
4. Provide preferred stop loss contract provisions
5. Enhance medical plan cost management through aggregate purchasing arrangements (Rx coalition, data analytics)
6. Offer a good investment managed by like-minded, high performing employers

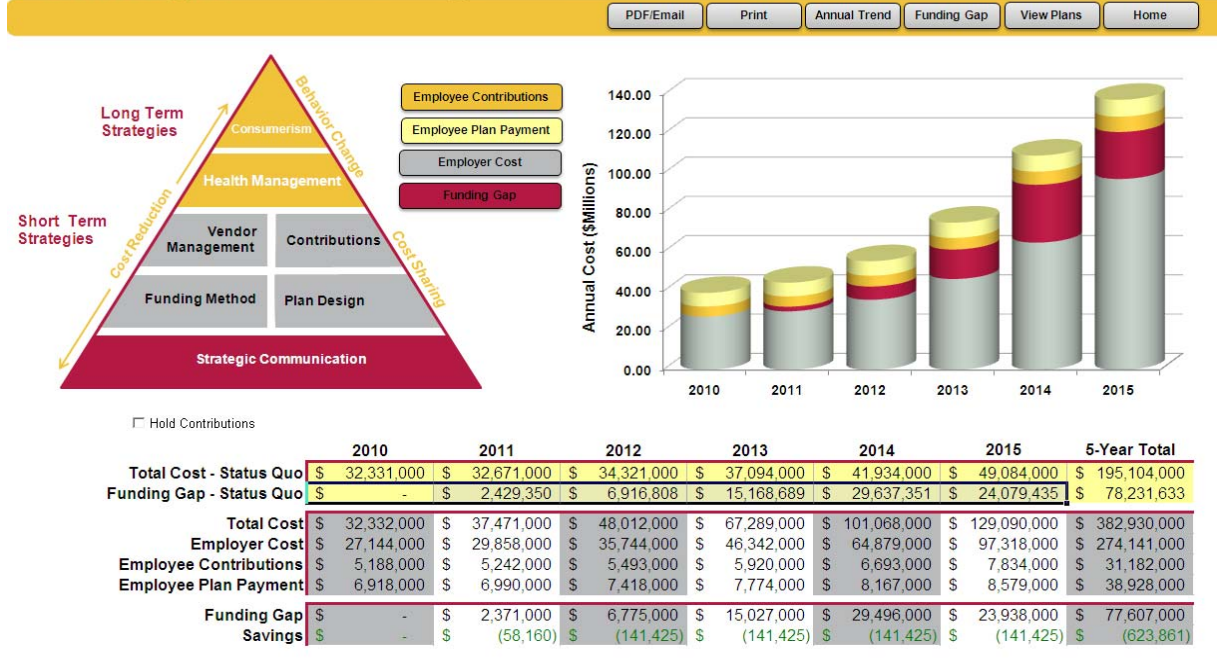
Strategic Forecasting Model

MMA's Strategic Forecasting Model is designed to interactively illustrate future plan costs and the "Funding Gap" that may result from these expected cost trends compared to Town of Weston affordable rate of cost increase. The tool also allows us to illustrate the financial and benefit implications of basic and advanced strategies.

A screen shot of the primary Strategic Forecasting Model page is provided below:

strategic forecasting model

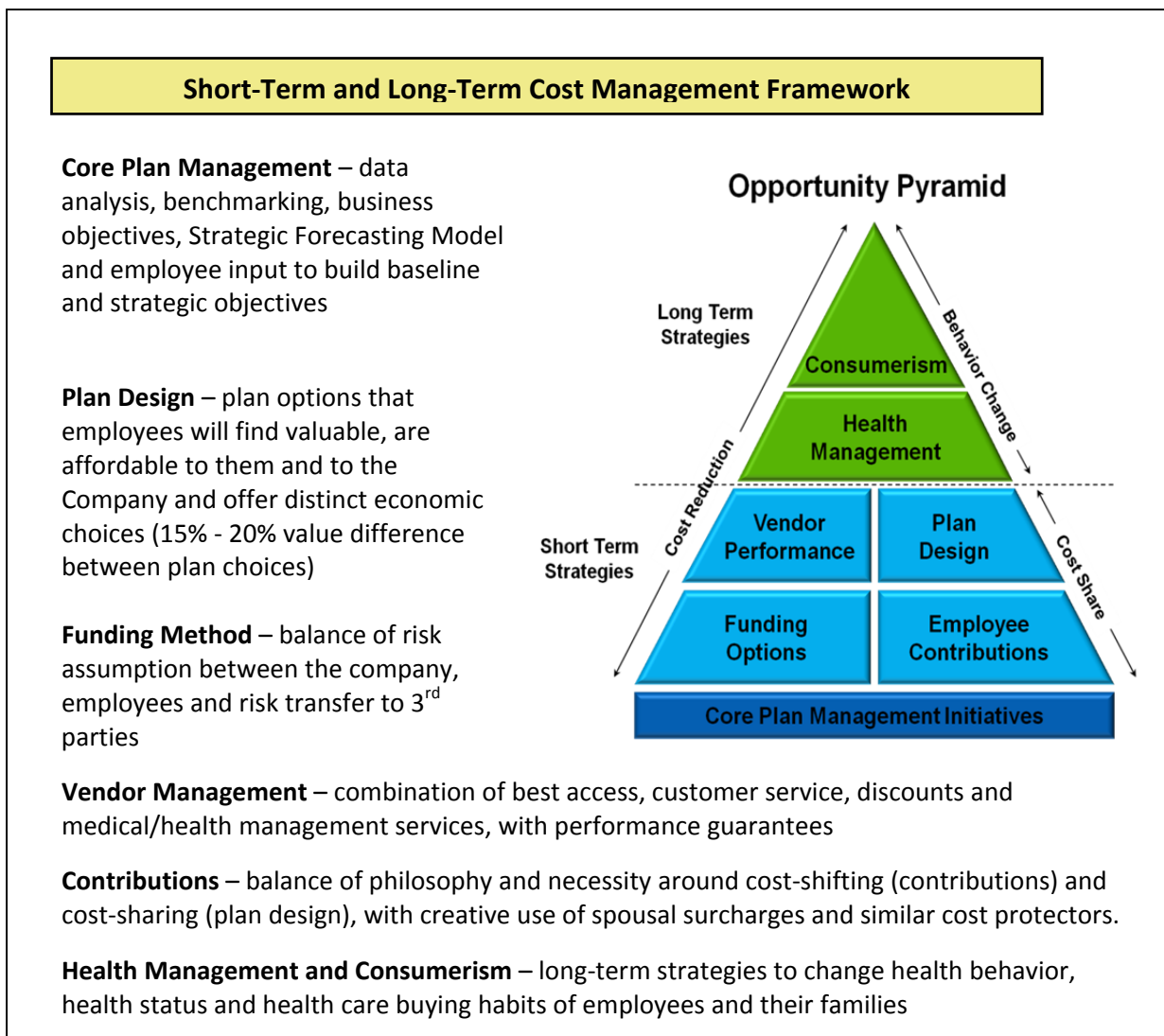
funding gap analysis



The Model uses Town of Weston actual costs and employee contributions by plan and in total so you have a detailed view of expected future annual costs based on the current and emerging enrollments. It also identifies average employee out-of-pocket costs to see the total employee cost of payroll contributions + out-of-pocket expenses. The Model shows the impact of market vs. Town of Weston subsidy target trend results on future annual costs, the resulting Funding Gap, and what sort of plan cost savings, cost-sharing and cost-shifting must occur to achieve these trend results. This Funding Gap profile then guides the creation of cost management strategies.

The power of the Strategic Forecasting Model is both its simplicity of presentation and the breadth and depth of detailed cost-saving analysis. The value of MMA's final strategic planning deliverable is a detailed map with financial metrics on how the expected cost-reduction targets will be achieved, with the efficiency of periodic updates to make sure the targets are met. In addition, the Model and final planning deliverable can be presented to finance and senior management in an interactive way that efficiently and effectively gets their buy-in of the strategies and expected results.

The illustration below, referred to as the Opportunity Pyramid, is the framework we use for determining short-term and long-term medical/Rx cost management strategies.



The final deliverable of the strategic planning process is a specific list of initiatives by plan and savings category that are their short-term and long-term cost management strategies. In addition, we will have the 3-5 year financial forecast based on these decisions. Every 6 months to a year after the initial strategic planning sessions we will review actual results to expectations and refine the 3-5 year strategies and financial forecast accordingly.

Data Analysis and Reporting

MMA has several reports and analytical tools that assist us in managing our client's benefit programs. They are listed below and samples can be found in the Appendices

Report	Engagement Report
Objective	<ul style="list-style-type: none"> All clients that generate fee or commission income above certain thresholds are provided an annual Engagement Report. Direct dialogue on MMA's performance covering key accomplishments over the past year, as well as challenges and recommendations. Specifically, we ask the client how we can improve upon our performance so that the subsequent years' service reflects their expectations.
Frequency	Annually

Report	Demographic Report
Objective	<ul style="list-style-type: none"> Analyze census data in a consistent manner for our clients Able to handle current and prior year census data The model will generate the following output: <ul style="list-style-type: none"> Average Age Gender Splits Enrollment By: Plan; Coverage Tier and Geographic Location Area factors and age-gender factors are calculated based on the Medical/Rx participants
Frequency	Annual, but with ability to repeat in the event of changes

Report	Actuarial Model/Report
Objective	<ul style="list-style-type: none"> Assist with plan design relativity cost analysis. The underlying database uses experience from 20.8 million insured persons, plus public data sources like State discharge data and Medicare data. Allows pricing of a broad range of plan designs with the inclusion of group specific demographics, locations, provider specific network discounts and in and out-of-network utilization.
Frequency	Annually or as plan design changes are requested.

Report	Underwriting Model
Objective	<p>The Underwriting Model was designed to assist the Underwriters with financial projections and analysis for clients, while ensuring/facilitating:</p> <ul style="list-style-type: none"> Consistency of method and Calculation Accuracy Quality review process Improved documentation Creation of a MMA underwriting technical reference/resource Acceleration and ease of knowledge transfer with account reassignments Increased underwriting productivity Single source to document "Renewal Projection Assumptions and Disclosure"
Frequency	Annually.

Report Monthly Budget vs. Actual Report	
Objective	<ul style="list-style-type: none"> • Download carrier raw data on a monthly basis into an MMA report that tracks claim data. • Track claim liability to claims paid monthly • Monitors number of employees and members covered by month • Tracks fees paid on a monthly basis • Provides monthly loss ratio • Tracks stop loss reimbursements • Prompts review of potential large claims
Frequency	Monthly

Report Claim & Utilization Model/Report	
Objective	<ul style="list-style-type: none"> • Understand the drivers of a client's specific trend by evaluating the impact of their demographic, claim and utilization factors • Trends are generated based on current and prior year data • Each metric is compared against normative data: <ul style="list-style-type: none"> • National • Industry • Employee Size • Geography • Generated outcomes will drive the Strategic Forecast Model • Determine most appropriate method of health and welfare financing (e.g. fully insured, self-insured, minimum premium, etc.) (below are sample claim reports).
Frequency	Quarterly, semi-annually or annually (based on availability of the client's data).

Data Analytics/PATH (MMA Proprietary):

Traditionally, brokers and consultants have focused almost exclusively on high claimants and utilization. Though these should be examined, MMA's "PATH" protocol in conjunction with our Data Analytics, takes a much deeper dive to uncover the hidden cost drivers in your Medical Claims: ***Unit Costs, Care Gaps, and Risk Index are three additional markers typically overlooked.***

- Review each high cost claimant to determine each member's predicted future cost, risk of future hospitalization or ER visit-if we had their data in our data warehouse.
- Review each of these claimants to see if treatment has been completed and if risk has been removed or reduced. If so, these members should not be incorporated into the stop loss premium renewal when taken out to market or when renegotiating the stop loss renewal with the incumbent.
- Identify those current plan members with relatively low cost but high risk and be sure they are engaged in a medical management program to address their future claim risk.
- Evaluate the performance of their current disease management vendors and provider networks to be sure outreach is occurring to the riskiest members and quality of care is improving
- Suggest a three year health enhancement strategy to mitigate risk and improve the health status of the population integrating this strategy into benefit design consistent with the company's mission and vision.
- **Unit Price:** Cost can be driven by unit price and/or utilization; identify the key cost drivers and make specific recommendations on value-based benefit designs and programs that should be considered based on data—*not supposition*.
- **Risk Index:** This is a barometer which shows how much and how often each employee uses the plan. We examine each ICD-9 code which breaks down provider/facility visits, procedures performed, and RX prescribed, by age bands. *Individuals are not identified.*
- **Care Gap:** Analysis to detect anomalies or abnormalities in treatment patterns—or, things you'd expect to see in a treatment record, but aren't there. *Example: Diabetic with Cardiac comorbidities, only being treated or prescribed for diabetes.*
- If you're not utilizing these services, then you are not using the data currently available to manage the plan. ***"What gets measured gets managed."***

SECTION SIX

ACTUARIAL SERVICES

MMA has developed a dedicated team of underwriting and credentialed actuaries to support our consulting team and our clients. Our actuarial and underwriting teams have significant experience working with health plans. Why is this important? Because they can develop the correct pricing prior to receiving the carrier pricing and effectively argue incorrect assumptions on behalf of our customers. This process, on many occasions, results in lower costs for our clients. Sample services include:

- Auditing a carrier's health plan renewal calculations,
- Developing Premium Equivalency Rates for self-funded plans, and
- Projecting the financial impact of the Affordable Care Act.

We have developed a full menu of underwriting and actuarial services that we can draw from to support our clients' specific needs. Whether it is basic plan modeling, budgeting and forecasting, or the many services required to support self-funded plans, we have our clients covered. Best of all, because our team of underwriting and credentialed actuaries are in-house and local, we can accommodate any custom or unique needs of our clients. The following provides a menu of underwriting and actuarial services we offer:

Underwriting Services

- Monthly reports for self-insured medical groups
- Monthly and year to date financial tracking
- Plan design and relativity modeling
- Mid-year renewal calculations
- Strategic Forecast Modeling (client budget)
- HRA/HSA contribution modeling
- Incentive contribution modeling
- Employee contribution modeling
- RFP scoring and financial assessment

Our experienced underwriting unit delivers the necessary financial analysis and management services for fully insured and self-funded plans including:

- Setting Funding Rates: Using actual claims experience, market and client – specific trend factors, and, if appropriate, actuarial cost tables, the underwriters project expected future claims costs and then include competitive fixed plan cost factors to set annual plan funding rates that the client can use for budgeting and deciding employee contributions.
- Calculating Reserves: Using actual claims experience and actuarial cost tables, the underwriters determine appropriate reserve accruals that reflect incurred but not yet reported claims costs and, for disability plans, future benefits payments liabilities.
- Performing Claims Cost and Utilization Analysis: Our underwriters analyze historic claims cost and prevalence trends to identify key cost drivers and develop cost management strategies.
- Preparing Actual vs. Budget Cost Reporting: We have standard reporting systems that compare the actual monthly claims costs with budgeted costs so you always know the current financial status of self-funded plans.

- Developing Funding Rate Re-projections: Based on actual claims experience compared to budget funding rates, at least quarterly during the plan year, the underwriter updates the current year's funding rates and begins forecasting the next plan year's expected funding rates.

Confidentiality

MMA has taken the following best practices as outlined below to ensure that we are HIPAA compliant. HIPAA mandates standards-based on implementations of security controls by all organizations that create, store or transmit electronic protected health information (PHI) and personal identifiable information (PII). Similarly, HITECH is the Health Information Technology for Economic and Clinical Health Act, which upgraded the original compliance standards within all organizations processing of such data.

MMA's MIS Team has enabled immediate compliance with an encrypted security system which manages overall security exposure and risk, and ensures compliance with internal and external electronic correspondence.

- When transmitting PHI and/or PII information over the internet it is imperative that this data is sent through MMA's encrypted system.
- When transmitting such information as listed above for marketing purposes for clients the social security number, name and employer identification number are to be removed from the spreadsheets when not needed to obtain a quote.
- Access is limited when dealing with employees, carriers and clients to the minimum amount of information for use and disclosures as needed to complete the job efficiently in a manner that will meet the appropriate needs of the situation.
- All computer users monitor the computer's operating environment and report potential threats of the computer being viewed by unauthorized people. The integrity and confidentiality of data contained in the computer system are kept in a private atmosphere. The staff must report all such threats to the Privacy Official for Marsh & McLennan Agency LLC (Northeast).
- Employees are not able to either log onto the system using another's password nor can employees enter data under another person's password.
- Each user is automatically logged off the system if they leave the computer terminal for any period of time: i.e. Lunch, meetings, and classes.
- No personnel can download data from the practice's system onto diskette, CD, hard drive, fax, scanner, any network drive, or any other hardware, software, or paper without the express permission of management confirming security measures have been applied.
- Send faxes only to known locations, where the physical security and monitoring practices of the receiving fax machine are known.

In addition to adherence to HIPAA practices outlined above, MMA MarketLink adheres to a strict Technical/Security Policy that dictates annual audits and systems testing.

SECTION SEVEN

CONFIDENTIALITY AGREEMENT

Herein please find MMA's standard Confidentiality Agreement:

CONFIDENTIALITY AGREEMENT

This CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of _____, 201__ ("Effective Date") by and between Marsh & McLennan Agency LLC ("MMA"), and _____ (the "Company"). MMA and the Company shall each be referred to as a "Party" and collectively as the "Parties".

WHEREAS, the Parties desire to enter into discussions with each other in connection with the evaluation of potential future business transactions between the Parties (the "Business Purpose"), and in order for the discussions to be meaningful, it will be necessary for a Party (in such capacity, the "Disclosing Party") to release certain Confidential Information (as defined below) to the other Party (in such capacity, the "Receiving Party").

NOW, THEREFORE, in consideration of the mutual promises and covenants made herein, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. Confidential Information. "Confidential Information" shall mean all information (including written or electronic information) which is disclosed to the Receiving Party in connection with the Business Purpose, and including all trade secrets, financial data, financial projections, strategies, marketing plans, unpublished information, products, projects, plans, customer lists, records, reports, analyses, notes, memoranda, documentation, data, specifications, diagrams, statistics, systems or software, manuals, business plans, operational information or practices, processes, contractual arrangements with, and information about, the Disclosing Party's suppliers, distributors and customers, or other information that are based on, contain or reflect any such Confidential Information. All information received from the Disclosing Party shall be considered Confidential Information if it is specifically designated as proprietary and confidential or if it would appear to the reasonable person to be confidential or proprietary in nature. Confidential Information shall not include: (a) information which is or becomes publicly available other than as a result of a violation of this Agreement; (b) information which is or becomes available on a non-confidential basis from a source which is not known to the Receiving Party to be prohibited from disclosing such information; (c) information which was legally in the Receiving Party's possession prior to disclosure by the Disclosing Party; or (d) information which is developed by or for the Receiving Party independently of the Disclosing Party's Confidential Information. The Receiving Party agrees that money damages may not be a sufficient remedy for any breach of this Agreement and that the Disclosing Party shall be entitled to seek injunctive or other equitable relief to remedy or prevent any breach of this Agreement. Such remedy shall not be the exclusive remedy for any breach of this Agreement, but shall be in addition to all other rights and remedies available at law or in equity.

2. Nondisclosure and Use of Confidential Information. Confidential Information shall not be used for any purpose other than to complete the Business Purpose. Confidential Information shall be held in confidence by the Receiving Party and shall not be disclosed without prior written consent of the Disclosing Party, except to those employees, directors, officers or agents of the Receiving Party (the "Agents") with a need-to-know the Confidential Information for the purposes of completing the Business Purpose. The Receiving Party shall use the same degree of care to protect the Confidential Information as it employs to protect its own information of like importance, but in no event less than a reasonable degree of care based on industry standards. Notwithstanding the foregoing, Marsh & McLennan Agency may share the Company's Confidential Information with carriers, intermediaries and related parties in furtherance of the Business Purpose.

3. Required Disclosure. In the event that the Receiving Party is requested or required by legal or regulatory authority to disclose any Confidential Information, the Receiving Party shall promptly notify the Disclosing Party of such request or requirement, if permitted by law, so that the Disclosing Party may seek an appropriate protective order. In the event that a protective order or other remedy is not obtained, the Receiving Party agrees to furnish only that portion of the Confidential Information that it reasonably determines is consistent with the scope of the subpoena or demand. The Receiving Party will provide

reasonable cooperation to the Disclosing Party and its legal counsel with respect to performance of the covenants undertaken pursuant to this Section 3.

4. Return or Destruction. At any time upon the Disclosing Party's written request, the Receiving Party shall return or destroy, at the Disclosing Party's option, all written Confidential Information, including that portion of such Confidential Information that may be found in analyses, compilations, studies or other documents prepared by, or for, the Receiving Party, and the Receiving Party and its Agents shall not retain any copies of such written Confidential Information; provided, however, that Confidential Information may be retained by the Receiving Party to the extent that retention of such Confidential Information is necessary to comply with the Receiving Party's internal document retention policies aimed at legal, corporate governance or regulatory compliance and any such retained Confidential Information shall remain subject to the disclosure and use restrictions set forth herein, notwithstanding any termination of this Agreement.

5. Term. The obligations in this Agreement commence effective as of Effective Date of this Agreement and will survive for a period of two (2) years from the date the Confidential Information is received by the Receiving Party.

6. Non-Waiver. No waiver of any provision of this Agreement shall be deemed to be nor shall constitute a waiver of any other provision whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

7. Governing Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of New York without regard to its conflict of laws provisions. Any disputes resulting in litigation between the Parties shall be conducted in the state or federal courts of the State of New York.

8. Entire Agreement; Amendment; Assignment. This Agreement constitutes the full and entire agreement between the Parties regarding the confidentiality of the Confidential Information. Any amendment to this Agreement must be in writing and signed by an authorized representative of each Party. This Agreement may not be assigned by either Party without the prior written consent of the other Party.

9. Severability. If any provision, paragraph or subparagraph of this Agreement is adjudged by any court to be void or unenforceable in whole or in part, such adjudication shall not affect the validity of the remainder of this Agreement, including any other provision, paragraph or subparagraph. Each provision, paragraph and subparagraph of this Agreement is separable from every other provision, paragraph and subparagraph and constitutes a separate and distinct covenant.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date first set forth above.

MARSH & MCLENNAN AGENCY LLC

[COMPANY]

By: _____
Name:
Title:

By: _____
Name:
Title:

SECTION EIGHT

COMPLIANCE

There are countless rules and regulations governing employee benefit plans. MMA's expert team will help ensure that you are meeting your compliance obligations. Our Compliance team stays up-to-date, and will inform you of any laws or regulations that may affect your employee benefit program. Compliance Assessments are performed by Patricia Cimmino, our in-house Health Care Reform and Compliance Specialist, and Marathas Barrow & Weatherhead LLP, an Employee Benefits, Executive Compensation & ERISA Litigation law firm.

Our compliance consulting services include:

- Compliance reviews and remedies.
- Custom compliance calendar (updated as needed).
- Monitoring and communication of legislative changes and new requirements.
- Health Care Reform support and education.
 - Provide ongoing technical updates, seminars and webinars
 - Maintain client website with latest information, Q&A and disclosures
- Review contracts including amendments, Summary Plan Descriptions and plan documents to evaluate liability exposure, and audit for accuracy and compliance.
- Assist with Government Reporting Requirements (Form 5500/Wrap Document)
- Support with preparing ERISA compliant Wrap Around Plan Document and SPD.
- Ongoing training for COBRA, HIPAA, FMLA, ADA, etc.
- COBRA implementation support and ongoing administration assistance.
- ERISA attorney to answer general questions regarding federal legislation.
- Provide Participant Disclosure Requirements.
 - SPD
 - SMM
 - COBRA
 - HIPAA
 - CHIP
 - FMLA
 - Medicare Part D
 - SAR
 - WHCRA
 - USERRA
 - GINA

Marathas Barrow Weatherhead Lent LLP

We have the Employee Benefits, Executive Compensation & ERISA Litigation law firm of Marathas Barrow Weatherhead Lent LLP on retainer to provide us guidance on compliance and legislative matters and also assist with specific client questions and situations. Marathas Barrow Weatherhead Lent LLP is a firm of experienced attorneys who work with employers, vendors, brokers, and consultants to provide the Affordable Care Act ("AC") assistance and are considered to be a leading authority on the subject.

Stacy H. Barrow, a partner of the firm, is MMA's primary contact and is one of the nation's leading experts on the Affordable Care Act. He uses a practical, business-focused approach to counsel his clients on all matters related to employee benefit plans. Stacy has extensive technical knowledge and experience designing and implementing health and welfare plans that meet the numerous and intricate requirements of applicable federal and state law.

The following resources are utilized to notify our clients of changes in federal and/or local laws:

Compliance Updates



These alerts provide time-sensitive updates to our clients regarding legal rulings and legislative changes and are issued electronically on an as needed basis to our clients. They detail the legislative update, include links to pertinent websites and highlight specific employer requirements. One of our recent updates is attached in Appendix B.

Employer Education Articles and Newsletters

We provide to our clients a bi-monthly Benefits Bulletin newsletter about the newest legislation issues and benefits trends. Our most recent “News and Views” is attached in Appendix B.

ULearn Webinars Series

Marathas Barrow provides our clients with a monthly webinar series to educate, inform, and provide guidance on current compliance and health care reform topics. These sessions have been approved for 1.0 general recertification credit hour through the Human Resources Certification Institute (HRCI) and 1 Professional Development Credit hour through SHRM. Please see schedule for 2018 below:



2018 Employee Benefits Compliance Webinar Series

Third Thursday of Each Month | 2 p.m – 3 p.m. EST

January 18, 2018
ACA REPORTING REQUIREMENTS: An overview of the ACA's Applicable Large Employer and provider reporting requirements. Discussion will also include a review of Forms 1094-B, 1095-B, 1094-C, and 1095-C.

February 15, 2018
BACK TO BASICS – CAFETERIA PLANS 101: An introduction to Section 125 "cafeteria" plans and a review of the events that permit midyear election changes.

March 15, 2018
FMLA & EMPLOYEE BENEFITS: The interaction of FMLA and employee benefit programs, including how to administer benefits while employees are on leave.

April 19, 2018
SELF-INSURANCE IN A POST-ACA WORLD: A review of the basics of self-insurance and the treatment of self-insured group health plans under the ACA and ERISA.

May 17, 2018
BACK TO BASICS SERIES – FORM 5500 FILING: An overview of ERISA's Form 5500 annual return/report and the Summary Annual Report, including proposed changes for 2019 plan years.

June 21, 2018
MIDYEAR COMPLIANCE UPDATE: A midyear update on the Affordable Care Act, new rules and regulations affecting employee benefit plans, and court cases of interest.

July 19, 2018

WELLNESS PROGRAM COMPLIANCE: A discussion of the legal aspects of wellness programs and how to implement them in compliance with DOL and EEOC rules.

August 16, 2018

SURVIVING A DOL AUDIT: A discussion of the documents and plan design issues the Department of Labor looks for during a health or welfare plan audit.

September 20, 2018

HIPAA PRIVACY & SECURITY TRAINING: An annual HIPAA training refresher for employees who use protected health information as part of their job duties.

October 18, 2018

ANNUAL REQUIRED NOTICES: A review of the notices and disclosures required by employer-sponsored health and welfare benefit plans, including annual notice requirements.

November 15, 2018

BACK TO BASICS – CONSUMER-BASED PLANS 101: An overview of consumer-driven plans, including their interaction with account-based plans such as FSAs, HRAs, and HSAs.

December 20, 2018

YEAR IN REVIEW AND FUTURE FORECAST: A review of the Affordable Care Act and other benefits-related guidance from 2018; discussion of what employers need to do to remain in compliance in 2019.

The MMA monthly webinar series is designed to educate, inform and provide guidance on the topics that matter to you. All sessions have been approved for 1 general recertification credit hour through the Human Resources Certification Institute (HRCI) and 1 Professional Development Credit hour through SHRM.

WORLD CLASS. LOCAL TOUCH.

Case Study

Example of an innovative solution MMA provided in response to recent law or code changes affecting benefits:

This is a customer that had a significant challenge posed by the requirements of the ACA. This case study is not illustrating the challenges that every employer will face but it does provide a good example of how our team works with the results to create a solution that is in the best interest of our customers.

The customer had cost issues due to ACA eligibility and affordability requirements. After nearly 6 months of bi-weekly strategy calls including the customer, MMA, and our legal team, we collectively agreed on a plan. Since the customer had nearly 26% of their employees eligible for a meaningful subsidy on the public exchange, we had to create a qualifying event for them to be eligible. The customer increased its contribution to create an unaffordable plan. We then created a robust communication and education campaign to include video, print, and onsite face to face discussions.

The results were a win-win! The employer saved significantly as their cost for employee only coverage was greater than the penalty for each employee that obtained coverage in the exchange.

The employees saved as their average post subsidy premium was only \$62 per month, less than the group plan! Bottom line, every customer is unique and MMA has the tools and resources to identify the optimal solution for each.



The Customer: Non-Profit Health Services Provider

3300 employees

The Objective

To implement benefit plan strategy to reduce plan costs and leverage opportunities available through the federal Marketplace while maintaining company group plan for those who prefer to stay on company health plan.



The Challenge

Employer was facing a significant increase to their health plan due to their employee profile and the requirements of the ACA.

Estimated 26% of full time employees would find more affordable coverage at the gold plan level.



The Solution

Continuing to offer group health plan but establishing unaffordable contribution strategy triggering a qualifying event for the exchange.

Robust communication campaign to make employees aware of coverage options on the Marketplace and leverage enrollment resources to support employee interest.



The Result

Over 500 employees enrolled in the Marketplace.

Annual Customer Savings:

\$2,997,425 (YR1)
\$1,368,000 (YR 2+)

Savings calculated after Employer ACA penalty

Annual Employee Savings:

Between \$504 - \$3,336

MMA Affordable Care Microsite

MMA also maintains an Affordable Care Act Resource Center website with the latest news and resources in regards to health care reform (www.mmaaffordablecareact.com), and sends out periodic notices / reminders during the year regarding ACA compliance.

MARSH & McLENNAN AGENCY

Search **GO**

AFFORDABLE CARE ACT RESOURCE CENTER

ABOUT ACA TOOLS & RESOURCES WHAT'S NEW CONTACT US UPCOMING EVENTS

MARSH & McLENNAN AGENCY HOME

Employee Benefits Changes in the Tax Cuts and Jobs Act

ACA Reporting Tools
MMA offers a suite of integrated reporting and tracking tools to make it easier to meet employer and individual mandate requirements.
[Read More](#)

The Cadillac Tax
At the end of 2015, the Consolidated Appropriations Act was signed into law. This Act made two key changes to the Cadillac Tax.
[Read More](#)

Educating Employees About The ACA
With all of the information out in the mainstream media, many employees are confused and concerned about how the Act will impact their insurance costs and coverage options.
[Read More](#)

Private Exchanges
Private exchanges continue to have growing interest due to benefits seen by both the employer and employee.
[Read More](#)

SECTION NINE

WELLNESS

MMA believes that implementing a wellness program will promote wellness, increase employee morale, and act as a hedge against rising health care costs. It is important that we understand the culture of our client so that we can best recommend how to implement a successful program. Executive and Senior Management support, as well as Employee engagement, is critical for success. We work with our clients to understand their culture and philosophy so that we can set the appropriate expectations. Our wellness programs not only offer tools but also provide our man power to help design a program and help shape a wellness culture.

MMA stays involved in any wellness program we implement. Measurement varies from one employer and program to the next. MMA will also monitor the claim activity quarterly, by diagnosis, as well as per employee per month (pepm - *including and excluding large claimants*) so that we can measure any impact. We also utilize employee surveys to determine the satisfaction of the employees/dependents participating in the program.

Examples of low-cost wellness tools

Each medical carrier offers valuable wellness information that can be used to design wellness kiosks for employees to access information. Based on group size and funding arrangement, a client may have access to have the carrier sponsor a health fair event which offers flu shots and biometric screenings. The employees should be encouraged to complete a health risk assessment annually and be incentivized to do this with a contest/raffle.

Communication and branding are key and employees should be kept notified throughout the year on free webinars a carrier may host and access to any valuable resources available online.

Some other ideas include:

- Free, healthy snacks
- Walk/bike path (if accessible)
- Stretching breaks
- Promote local gyms/fitness centers to offer classes
- Promoting wellness technology
- Step/Stair challenges
- Communication about corporate discounts

Examples of Success

Case Study #1: Multi-year strategy provided one of our clients with long-range focus and commitment to improving health of its employees. The shift to a more comprehensive wellness strategy resulted in continuous decreases in total hospital admissions, inpatient days, admissions paid and doctors office visits, plus a steady increase in preventative office visits.

METRIC/COST/RISK	2011	2012	2013	2014	% Difference (2014 to 2011)	ADJUSTED NORM
Total Admissions/1000	76.7	69.2	68.1	40.3	-40.8	63.2
Inpatient Days/1000	31/2	304.2	206.6	112	-45.8	292.5
Total Admission Paid	\$13,134	\$11,007	\$10,518	\$11,613	-10.4	\$15,520
Total Office Visits/1000	4,789	4,601	4,527	3,727	-17.7	3,858
Preventive Office/1000	446	474	499	431	-13.6	397.7
Average Risk Index	11.04	10.88	9.97	9.26	-16.1	6.57
Average Care Gap Index	2.60	2.42	2.03	1.99	-23.5	1.27

Case Study #2:

The Client	Municipality, 370+ employees
The Objective	Implement an increased focus on low to medium risk employees, as well as a continued focus on the high risk population.
The Challenge	<p>Program lacks clear outcomes and incentive opportunities for all participants. Insufficient reporting –health measurables obtained but lack trend aggregate data necessary to monitor progress.</p> <p>A minimal focus on low to medium risk employee population.</p> <p>A missing correlation between wellness activities and health care costs.</p>
The Solution	<p>Increased emphasis on low/medium risk employee population.</p> <p>Incorporation of spouses to foster wellness at work/home.</p> <p>Development of a multi-year outcome based incentive.</p> <p>The availability of wellness tools including onsite screenings, health scorecard, access to online wellness resources, and an onsite health coach.</p>
The Result	<p>A personal health scorecard and incentive program has motivated participants to improve their health. A 17% positive change was observed in the overall health of the City's employees and their spouses.</p> <p>Being able to accurately track the health risk trends of its employees the City observed that 24% of employees improved their health measures, 69% stayed the same and 7% worsened.</p>

SECTION TEN

VALUE ADDED SERVICES

Below are additional services that we believe will be valuable to Town of Weston as it relates to the selection, management, and administration of your employee benefit programs. (Services with additional costs notated with an *.)

Rx Carve-Out*

Marsh & McLennan Agency (MMA) has the ability to significantly reduce your pharmacy-spend by employing our proprietary, discounted *Pharmacy Benefit Management* coalition program. MMA, with the buying power of its pharmacy member coalition can show drastic savings by virtue of our group purchasing unit.

- MMA utilizes multiple PBM's depending on client size, demographics, and needs. In addition AWP discounts are only effective if the contractual language supports the discounts. Based on MMA's extensive work in the Rx Carve-Out arena, MMA can insure that our contracts are the most competitive in the industry and that the contractual language supports the represented discounts.
- MMA rebates for multi-year contracts have been proven in both the Private & Public Sector to be very competitive based on the strength of our contracts. MMA will be happy to share this proprietary information with Town of Weston once MMA is awarded the RFP.
- Dispensing fees and clinical programs are other focuses of MMA. An example of clinical programs would be mandatory generics (unless stated by your doctors that you need brand), mandatory mail order for maintenance medication, step therapy, expanded prior authorization list, and pharmacy network size.

What MMA can deliver:

- *Substantial per unit pricing discounts
- *Audit capability
- *Deep AWP discounts
- *Lower dispensing fees
- *Sizeable manufacturer rebates
- *Performance guarantees with stated and defined percentage discounts, in aggregate

Pharmacy Benefit Management contracts are often complex, convoluted, and intentionally vague. Marsh & McLennan will perform a cost analysis study to determine the cost effectiveness of the current Rx program, including a claim repricing of available Rx claims, and offer solutions to significantly reduce your annual Rx spend.

MMA MarketLink*

MMA MarketLink is the proprietary, single platform (web-based) solution for all administration services at MMA. It supports traditional benefits administration AND private exchange solutions. The private exchange solutions include custom private exchanges designed by the employer, termed "traditional", as well as, the MMA MarketLink "store" where clients choose from a pre-set plan warehouse.

MMA MarketLink is different from competitors in the following ways:

1. We have one platform for all services—which means a client can easily transition from traditional benefits administration to a private exchange.
2. We have the flexibility to implement defined contribution or defined benefit funding approaches.
3. We have fully integrated solutions that include wellness (benefitting employers and employees) COBRA administration, an Individual Exchange for ineligible employees, spending account solutions, voluntary benefits, decision support tools, ACA compliance tools, and more.

MMA MarketLink provides our clients with high-quality benefits and tools combined with Marsh & McLennan Agency's deep expertise in benefits, plan management, administration and communication.

MarketLink enables you to:

- Offer affordable benefits, including minimum essential coverage.
- Provide best-in-class benefits aligned with state and federal exchanges.
- Empower your employees, encouraging investment in health care decisions
- Gain control over your benefits budget and annual renewal costs.
- Reduce administrative burden and integrate processes to increase efficiencies.
- Help employees choose the right benefits for themselves.

Introducing MMA MarketLinkSM
Empowering Employees To Make Smart Decisions About Their Health

Redesigned Enrollment Experience:

- Avatar Personalization
- Employee Communications Portal
- System-driven data validation
- Enrollment Cost Summary

Decision Support, Benefits Education, and Plan Recommendation Tools

Robust Wellness Integration

Spending Accounts and Health Savings Account

Individual Exchange (COBRA Alternative)

An Employee's Portal to the World Responsive Technology

Marsh & McLennan Agency, LLC • Trilon

April 1, 2016

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Offering Clients The Customization, Transparency, Integration And Administrative Efficiencies That Support A Successful Enrollment And More

HR Administrator Dashboard

ACA Reporting and Compliance Tools

Defined Contribution Capabilities

- Including a running per pay period cost total for associates throughout their enrollment.

Robust Administration and HR Self-Service

- Integrated, customizable online reporting and billing.

HR users can click on the enrollment progress chart to view employee details, and send reminder emails directly from the system.

MARSH & McLENNAN AGENCY, LLC • Trion April 1, 2016 1

Health Advocate

Health Advocate, Inc., the nation's leading health advocacy and assistance company, provides a spectrum of time- and money-saving solutions to over 10 million Americans and more than 3,000 clients. Under our service model, employees, their spouses, dependent children, parents and parents-in-law are all eligible to take advantage of Health Advocate services directly.

At the core of Health Advocate's service model is the personalized attention provided by Personal Health Advocates (PHAs), typically registered nurses supported by medical directors and administrative experts. PHAs help members navigate the healthcare system and resolve clinical, insurance and administrative issues.

Service

- Helps Resolve Eligibility, Benefit and Claims Issues
- Provides Help Using Plan's Network
- Helps Subscribers Use Their Benefits Wisely
- Toll-Free Phone Number, Secure Fax and Email
- Services extend to Covered Member's parents

Clinical

- Members Talk To a Dedicated Personal Health Advocate, typically a RN who explains and researches medical diagnosis/conditions
- Finds Best Qualified Doctors and Hospitals for Specific Needs and Second Opinions
- Identifies "Best-In-Class" Medical Institutions for Serious Illnesses, Injuries, or Chronic conditions
- Medical Directors and Administrative Staff Provide Support

TELADOC

TELADOC™ is a telephone and web-based interactive service that affords your employees the ability to communicate with U.S. board-certified physicians to resolve emergent medical issues 24/7/365. This resource reduces exposure to unnecessary Emergency Room and Urgent Care expenses. TELADOC's providers utilize Electronic Health records to diagnose and treat the patient remotely, even prescribing medication and contacting the pharmacy.

TELADOC™, Inc. is the nation's first and largest telehealth platform, delivering on-demand health care anytime, from almost anywhere via mobile devices, the internet, secure video and phone. More than 12.5 million U.S. members are connected to TELADOC's network of over 2,000 board-certified, state-licensed physicians and behavioral health professionals who provide care for a wide range of non-emergency conditions. TELADOC was founded in 2002 and has corporate offices in both New York and Texas.

ThinkHR

MMA will provide the HR Resource **ThinkHR**, a cloud-based platform of comprehensive HR knowledge solutions - a value-added benefit that will not only save you time and money and increase your efficiency, but also help protect you from risk and liability associated with complex HR issues. ThinkHR includes the following features:

HR Live

- Telephonic support: A team of HR experts standing by to answer your questions or provide advice Monday-Friday, 9am-8pm
- Web-based access, 24/7
- Convenient Mobile app, ask a question and review an extensive Q&A database whenever and wherever you need it

HR Comply

- Topics include hiring & onboarding, performance management, employee relations
- Access thousands of HR tools including:
 - Forms, checklists, step-by-step compliance guidelines and templates
 - A job description builder and salary benchmarking tools
- Explore key tools like a Q&A Database, HR Audit Checklist and hundreds of downloadable sample notices, form, policies and checklists.
- Stay up-to-date on events and dates you need to know with the Compliance Calendar. With automated notifications, you'll never miss a deadline.
- Ease the burden of compliance with the state-level Employee Handbook Builder with step-by-step instructions, expert commentary and online support.

HR Learn Premium

- Utilize hundreds of free courses for both management and employees
- Access to employee training module
- Topics include management training, harassment, & workplace safety

HR Insight

- All the news and analysis HR professionals need to regulations.

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MARSH & McLENNAN AGENCY

COMPLIANCE CALENDAR

Never miss a critical filing date or compliance event

Keeping up with constantly changing federal labor laws, regulations, reporting requirements and deadlines is a massive challenge. With the [ThinkHR Compliance Calendar](#), employers can plan ahead and minimize their risk of missing due dates and important events.

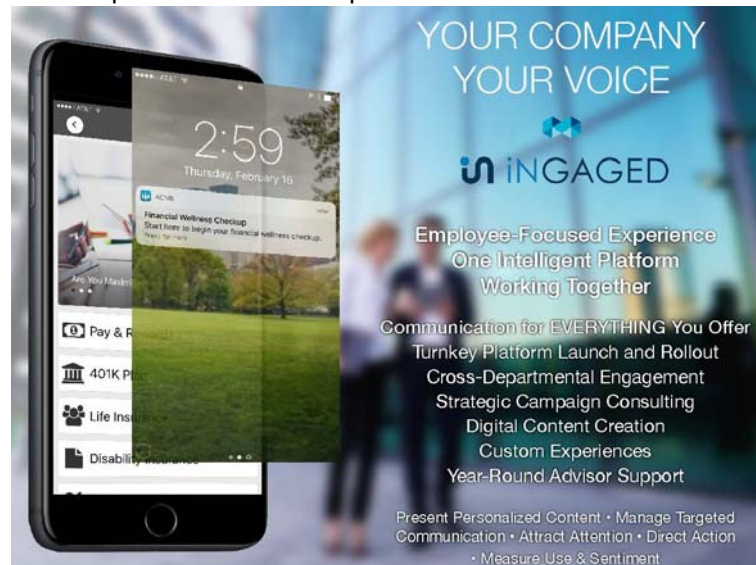
- › Provides advance notifications of due dates
- › Helps manage numerous compliance deadlines and key dates for major regulations, including ACA, ERISA, EEO and OSHA
- › Helps avoid fines and penalties for late or missed filings

Brainshark

Brainshark is a platform to create and share content that audiences can view anytime, anywhere and from any device. Available in mobile and since its web based, can be viewed by spouses/dependents. Can include large attachments with no size limits, can ask survey questions, can report on utilization, and can be viewed at any time. Mainly being used for open enrollment presentations, it saves time out of office attending open enrollment meetings. The same Brainshark presentation can be re-used with minor modifications each year and also converting into a new hire presentation.

iNGAGED*

iNGAGED is a mobile communications platform that is owned by MMA and is branded for our clients. Client specific branding empowers them to consolidate all of the experiences of being an employee into one place that can be accessed anywhere, at any time. iNGAGED offers a zoom and crop version of any employee portal and focuses on creating a user experience that makes information easy to access and move to action. iNGAGED includes year round strategic communications consulting to help employers influence employees to take specific actions to meet or exceed corporate objectives or financial goals. iNGAGED helps employers increase efficiency by automating corporate functions, and influences employee behaviors that have a positive financial impact.



iBenefits

Unquestionably a big part of any communication campaign is the development and implementation of the open enrollment messaging. MMA utilizes many of the standard vehicles to communicate benefit changes – including brochures, payroll stuffers and open enrollment memos and presentations. We also recognize the changes in technology and the way people access information. Because of this, we have the ability to create cloud based videos, 24/7 employee benefit portals, and more – including our **iBenefits** app. MMA's iBenefits app makes checking benefits information as simple as a touch of the screen and is available on iOS and Android platforms, providing:

- Access benefit information available 24/7,
- Content, plan summaries and branding are specific to each employer,
- “Tap to call” functionality allows employees to easily access their insurance carriers, alleviating calls to HR,
- View and navigate carrier websites directly from app,
- “Push Notifications” to employees throughout the year about benefit changes, important deadlines and more.

MMA **iBenefits** app makes checking benefits information as simple as a touch of the screen

► available on iOS and Android

iBenefit Features:

- ✓ Access benefit information available 24/7
- ✓ Content, plan summaries and branding are specific to each employer
- ✓ "Tap to call" functionality allows employees to easily access their insurance carriers, alleviating calls to HR
- ✓ View and navigate carrier websites directly from app
- ✓ "Push Notifications" to employees throughout the year about benefit changes, important deadlines and more



BenefitHub

A discount marketplace for you and your employees!

- Special offers and discounts through well-known retailers such as restaurant.com, Groupon, TicketsatWork, and many more...
- Access to over 100,000 name brands of your favorite retailers:
 - Restaurants
 - Gyms
 - Local ("neighborhood") offers based on your company's zip code
 - Tickets to sporting events, concerts, theatres, movies and theme parks
 - Many others!
- The ability to earn cash back on (some) purchases
- All of this comes at no cost to you or your employees



Executive Benefits

Attracting and retaining committed, experienced executive talent is critical to organizational excellence and success. Marsh & McLennan Agency (MMA) helps clients develop competitive executive benefit programs that provide winning results. The desire to win and succeed is inherent in high-caliber executives. Rewarding these individuals with the right incentives builds a highly motivated executive and management team. The practice leader, Mike Gallo, has 30+ years' experience in Executive Benefits.

MMA's Executive Benefits practice adheres to a Total Rewards approach to help organizations structure successful executive benefit packages that:

- Align with business goals
- Improve the ROI on corporate benefit spending
- Are consistent with industry practices
- Maximize tax effectiveness for the company and executive
- Meet the needs of executives
- Reflect the corporate culture

We work with you to design and implement supplemental benefit plans that align business goals with executive needs to attract and retain top executives.

Retirement Plan Services

Our Retirement Plan Professionals can create a program that will meet your corporate needs, the needs of your executive team and your employees. We work for our clients and are advocates in the market place. Through our extensive communication process we are confident that all employees genuinely appreciate their overall Retirement Program as one of the most important Employee Benefits offered to them

In today's marketplace, it is essential that every Retirement program be carefully reviewed on a regular and ongoing basis. An objective review can be very challenging and at times overwhelming. At MMA, we pride ourselves on our ability to provide our clients with comprehensive reviews that includes plan fees, fund performance, fiduciary responsibilities and compliance. Products covered:

- Qualified and Non-Qualified Retirement Plans
- 401(k), 403(b) and 457(b and f) Programs
- Executive Carve-Out Plans
- Deferred Compensation Plans for Highly Compensated Executives and Key Employees
- Supplemental Executive Retirement Plans (SERP) for Highly Compensated Executives and Key Employees
- Profit Sharing Plans
- Employee Roll Over Assistance or Termination

MMA's Retirement Service Commitment includes the following:

- **Plan Reviews**
 - conduct a thorough due diligence search among multiple providers
 - prepare a detailed fee comparison among providers that will uncover any "hidden" costs
 - perform a head-to-head comparison to ensure that client selects the best performing investments from provider
 - provide expert assistance in interviewing providers
- **Investment Reviews**

- draft an Investment Policy Statement that sets clear and objective guidelines for selecting and reviewing the funds
- conduct a thorough fund analysis at regular intervals during the year so you are kept aware of the performance and issues regarding your funds
- assist you in making objective decisions about adding, deleting or replacing funds
- ensure that the entire process is documented
- **Enrollment Support**
 - assist in educating employees, with goals of increasing employee appreciation and participation in the program
 - available for both group and individual meetings with employees to answer questions, assist with enrollments or help make investment allocation decisions
 - conduct group meetings for employees at locations that do not meet the minimum specifications of the retirement plan provider
 - make available complete financial planning services for those who are interested
- **Employee Communications**
 - ensure that ongoing participant group meetings are part of provider's scheduled plan services, including investment education, retirement planning, plan changes, etc.
 - conduct sessions in all cases that the provider is unable
 - be available to meet individually with participants on a regular basis to ensure that they have a thorough understanding of the plan, investments and their retirement goals
- **Ongoing Services**
 - act as a local representative to the retirement plan provider of your choice
 - available to initiate, follow up or otherwise communicate between client and provider
 - keep client abreast of changes in the marketplace
 - inform client of new products and services that may become available
 - ensure that plan remains competitively priced and provides participants with competitive benefits

SECTION ELEVEN

INSURANCE CERTIFICATES

ACORD®		CERTIFICATE OF LIABILITY INSURANCE		DATE (MM/DD/YYYY) 4/24/2018		
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.						
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).						
PRODUCER Marsh & McLennan Agency LLC 7225 Northland Drive Suite 300 Minneapolis MN 55428			CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL: ADDRESS:			
INSURED MARSH&MCLE Marsh & McLennan Agency LLC - Northeast Park 80 West Plaza Two, 250 Pehle Ave., Suite 400 Saddlebrook, NJ 07663			INSURER(S) AFFORDING COVERAGE INSURER A: Great American E&S Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:		NAIC # 37532	
COVERAGES CERTIFICATE NUMBER: 408334080 REVISION NUMBER:						
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ANY AUTO <input type="checkbox"/> OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY <input type="checkbox"/>					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A				PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability		TER3177824	2/1/2018	2/1/2019	Per Claims Aggregate 15,000,000 15,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) The insurer named herein is not licensed by the State of New York, not subject to its supervision, and in the event of insolvency of the insurer, not protected by the New York State Security Funds. The policy may not be subject to all of the regulations of the insurance department pertaining to policy forms.						
CERTIFICATE HOLDER Town of Weston 56 Norfield Road Weston CT 06883			CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>William D. Jettison</i>			
ACORD 25 (2016/03) The ACORD name and logo are registered marks of ACORD © 1988-2015 ACORD CORPORATION. All rights reserved.						



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/24/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA, Inc. 1166 Avenue of the Americas New York, NY 10036 Attn: NewYork.Certs@marsh.com Fax: 212-948-0500	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: National Union Fire Insurance Co. of Pittsburgh, PA 19445 INSURER B: Illinois National Insurance Company 23817 INSURER C: New Hampshire Insurance Company 23841 INSURER D: American Home Assurance Company 19380 INSURER E: INSURER F:
INSURED Marsh & McLennan Agency Park 80 West, Plaza Two, 250 Pehle Avenue, Suite 400 Saddle Brook, NJ 07663	NAIC #

COVERAGES **CERTIFICATE NUMBER:** NYC-010275089-01 **REVISION NUMBER:** 3

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:		GL 6939032	09/30/2017	09/30/2018	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMPIOP AGG \$ 4,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		CA 7093296 (AOS) CA 7093297 (VA)	09/30/2017 09/30/2017	09/30/2018 09/30/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A		WC 086326437 (AOS) WC 086326439 (CA) WC 086326438 (FL) WC 086326440 (MA,ND,OH,WA,WI)	09/30/2017 09/30/2017 09/30/2017 09/30/2017	09/30/2018 09/30/2018 09/30/2018 09/30/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E L EACH ACCIDENT \$ 2,000,000 E L DISEASE - EA EMPLOYEE \$ 2,000,000 E L DISEASE - POLICY LIMIT \$ 2,000,000
D	If yes, describe under DESCRIPTION OF OPERATIONS below					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Evidence of Coverage

CERTIFICATE HOLDER Town of Weston 56 Norfield Road Weston, CT 06883	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Daniel Rivera <i>Daniel P. Rivera</i>
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ACORD 25 (2016/03)

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SECTION TWELVE

REFERENCES

Clients MMA has provide broker/ consulting services to, over the past three years:

Town of Bethel CT

Robert Kozlowski, Town Comptroller
203-744-6882
kozlowskib@bethel-ct.gov

Ace Endico

Ann Marie Read, HR Director
203-230-8823
aread@aceendico.com

First American International Bank

Sharon Silver, HR Director
718-321-3131
Sharon.silver@faib.com

Jewish Home for the Elderly of Fairfield County

Linda Ciszkowski, V.P. and Chief Adm. Officer
203-396-1117
ciszokowski@jseniors.org

Standard Oil of Connecticut

David Cohen, Executive V.P.
203-334-5532 ext. 3012
dcohen@standardoil.net

Bio-Med Devices, Inc.

Maxine Bruno HR Manager
203-458-0202 ext. 210
Maxine.bruno@biomeddevices.com

Schwerdtle Stamp Inc.

Steve Francis, Controller
203-330-2750 ext. 113
sfrancis@schwerdtle.com

Chappaqua Transportation

Jessica Calderon, HR Manager
914-238-6338
Jessica.calderon@chappaquatransportation.com

Logan Township

Lyman Barnes
856-467-3425
lbarnes@logan-twp.org

Woolwich Township

William Pine, Chief Financial Officer
856-467-2666 Ext. 3136
wpine@woolwichtwp.org

City of Sea Isle City

Kellie A. Seib, Human Resources
609-263-4461 Ext. 1222
kseib@seaislecitynj.us

Greater Egg Harbor School District

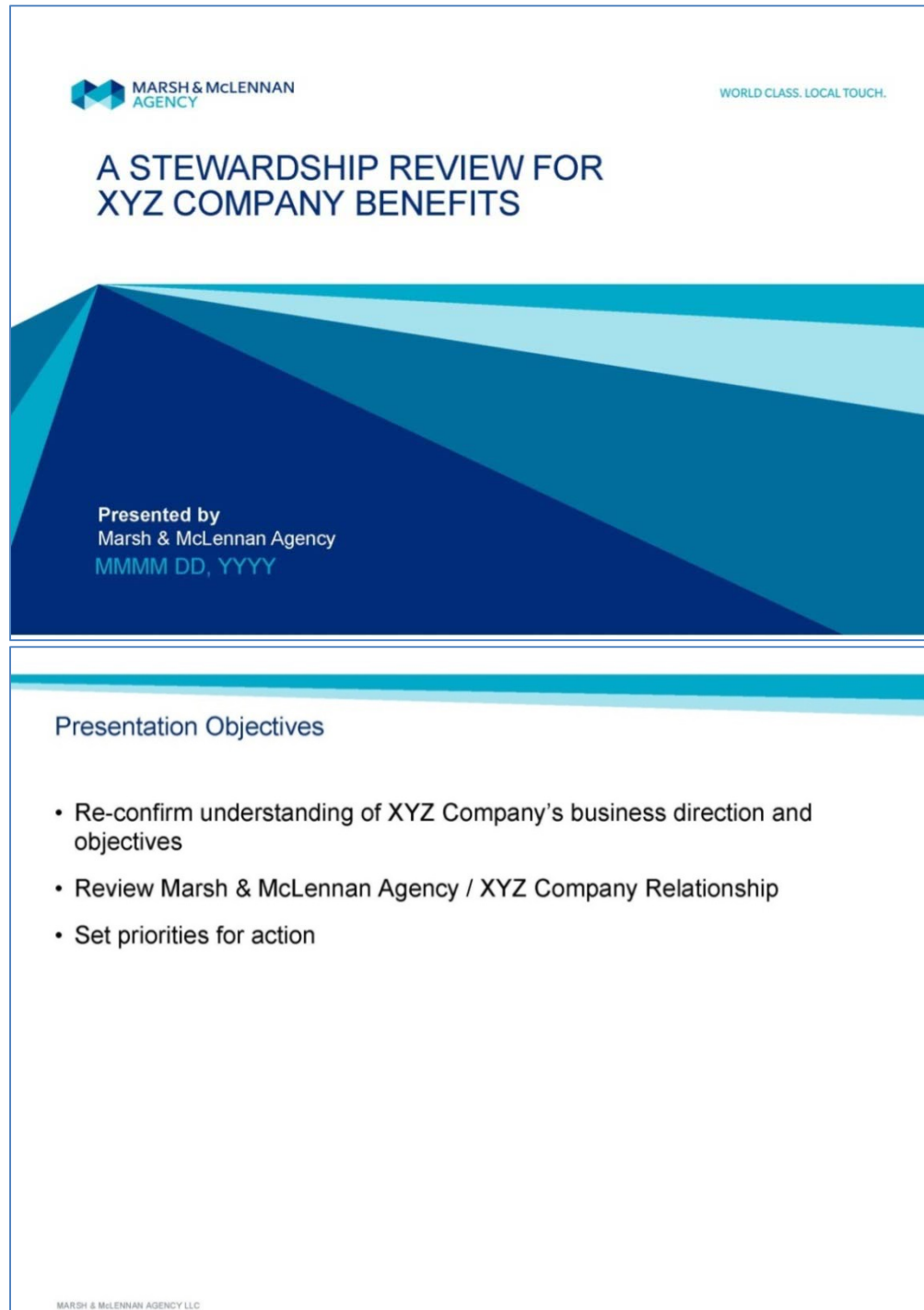
Thomas Grossi, Business Administrator
609-625-1399
tgrossi@gehrhsd.net

Township of Middle

Kimberly Krauss, R.M.C., C.M.R. Township Clerk
609-465-8732
kkrauss@middletownship.com

Appendix A – Sample Reports and Communication

SAMPLE ENGAGEMENT REPORT



Agenda

- XYZ Company
 - Profile
 - Business Objectives
 - Strategies
 - Business Issues
 - Employee Benefits Issues
- Marsh & McLennan Agency Brokers – A Strategic Resource
- Relationship Review
- Recommendations
- XYZ Company / Marsh & McLennan Agency Business Fit
- Action Steps

MARSH & McLENNAN AGENCY LLC

XYZ Company Employee Benefits Profile

- Located in New Jersey
- 9 Unions
- 1250 Employees
- 1100 – Full Time Employees
- 150 – Part Time Employees
- Retirees – 300
- Medical – Self Funded with Amerihealth Administrators
- Prescription – Self Funded with Express Scripts
- Retiree Medical – Fully Insured Horizon Medicare Blue Access
- Retiree Prescription – Fully Insured Benastar Medicare Part D

MARSH & McLENNAN AGENCY LLC

XYZ Company Business Objectives

- Cost Containment
- Educate Employees on Wellness
- Increase Employee Communication
- Be Prepared for Chapter 78
- Stay out of the State Health Benefits Plan

MARSH & McLENNAN AGENCY LLC

XYZ Company Business Strategies

- Continue to Evaluate Self Funding as a means of Controlling Cost
- Educate Employees on the Value of their Benefits
- Continue to Increase the Integrity of Employee/Retiree Data
- Create a Wellness Program
- Educate Employees of the Value of Good Health
- Employee Incentive Programs for Healthy Behaviors

MARSH & McLENNAN AGENCY LLC

XYZ Company Business Issues

- Unhealthy Workforce (Specifically in the Winter Months)
- Unions' Sense of Benefit Entitlement
- Paid Claims last year were more than anticipated
- Location/Access to Doctors & Hospitals
- Emergency Room Over Utilization Based on Ease of Access
- Perception of Cost for the State Health Benefits Plan

MARSH & McLENNAN AGENCY LLC

Marsh & McLennan Agency A Strategic Resource

- Values Driven
- Non-Traditional Approach
 - Proactive Partner
 - Focus on "Total Cost of Risk"
 - Process to Understand your Municipality Business
- Carrier Relationships
- Service Platform

MARSH & McLENNAN AGENCY LLC

Relationship Review Overview

- Existing Partnership
 - Beginning 20xx
- Marsh & McLennan Agency / XYZ Company Team
 - Xxx (xx) Assigned Professionals
 - Executive Leadership

MARSH & McLENNAN AGENCY LLC

Relationship Review Overview (Continued)

- Scope of Services [What Has Been Provided or Will Be]
 - Employee Benefits
 - Ancillary Benefits
 - Voluntary Benefits
 - Employee Assistance Programs
 - Administration Services (Through a Third Party Administrator)
 - Bi-Weekly Service Visit
 - Quarterly Claims Review

MARSH & McLENNAN AGENCY LLC

Relationship Review Accomplishments

- Assisted in a Carrier Review/RFP
- Negotiated moving to AmeriHealth Administrators and Implemented a Better Reporting Process
- Assisted in Moving to Express Scripts and Increased the Rebate to XYZ Company by \$200,000
- Implemented Clinical Changes to the Prescription Program that Reduced Cost by Approximately \$1,000,000

MARSH & McLENNAN AGENCY LLC

Relationship Review Accomplishments (Continued)

- Implemented a Medicare Part D Program that Removed the Population with the Most Prescription Claims
- Increased Employee Communication
- Completed a Dependent Eligibility Audit that saved \$600,000 by Removing 120 Dependents that Should Not Have Been On the Plan
- Negotiated a Non-Lasable Stop Loss Contract with a 50% maximum Annual Increase

MARSH & McLENNAN AGENCY LLC

Relationship Review Customer Satisfaction

- *“Very Responsive”*
- *“Appreciate ‘Out of the Box’ Ideas and Solutions”*
- *“Service-oriented”*
- *“Dedicated Team”*
- *“Have Recommended to Others”*
- *“10 Out of 10 Rating”*
- *“Team Needs to be Deeper”*

MARSH & McLENNAN AGENCY LLC

Relationship Review Challenges

- Renewal Timing (Carrier)
- Prescription Reporting (Carrier)
- Horizon Medicare Direct Access Service (Carrier)
- Wellness Communication
- Cost to Implement a Wellness Program
- Employee Education on Disease Management

MARSH & McLENNAN AGENCY LLC

Relationship Review Opportunities

- With the Implementation of Quarterly Meetings that Include the Carriers, XYZ Company's Renewals Will Receive their Renewals in September
- Utilize our Wellness Resources to Help Create a Wellness Program
- Negotiate with AmeriHealth for a \$100,000 Wellness Program Credit
- Negotiate with AmeriHealth for an Additional \$60,000 Credit for Employee Disease Management Education

MARSH & McLENNAN AGENCY LLC

Recommendations Solution Elements

- Team Communication/Education
- Benefits Strategy
- Investment in Wellness
- Targeted Disease Management

MARSH & McLENNAN AGENCY LLC

XYZ Company / Marsh & McLennan Agency Business Fit

- Supports Wellness Initiative
 - Increase Profitability
 - Improve Communication Efficiencies
- Helps Address Key Challenges
 - Disease Management
 - Early Renewal Review
- Existing Relationship
- Focus on Benefit Strategy

MARSH & McLENNAN AGENCY LLC

Action Steps

Confirm Business Fit	Today
Review Solution Detail	Today
Stewardship Report	Ongoing
Implement Solution Elements	Ongoing

MARSH & McLENNAN AGENCY LLC

DEMOGRAPHIC TOOL ANALYSIS



WORLD CLASS. LOCAL TOUCH.

ABC COMPANY

Month xx, 201x

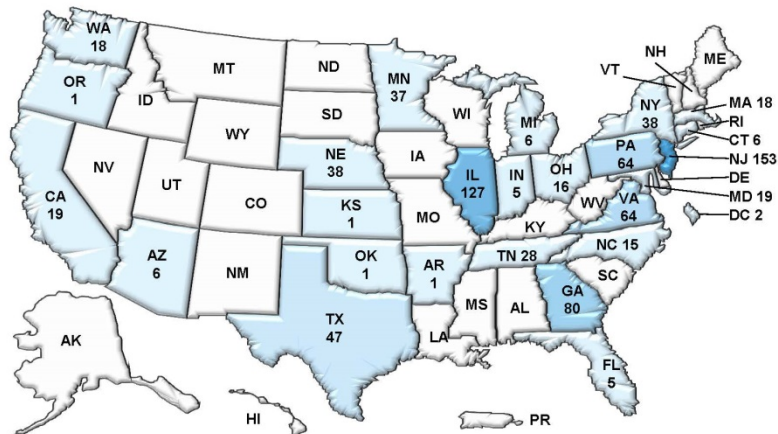
DEMOGRAPHIC REVIEW

MARSH & McLENNAN AGENCY, LLC

April 6, 2017

Geographic Distribution

- ABC Company currently has 815 enrolled employees dispersed throughout 26 state(s).



Source: ABC Company census data April 2014.

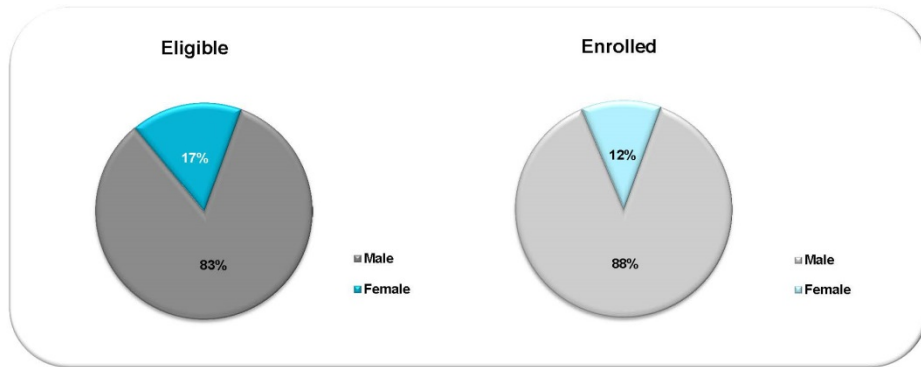
MARSH & McLENNAN AGENCY, LLC

May 18, 2016

1

Gender Mix

- ABC Company's current eligible female population accounts for 17% of the total population. It is lower than the national average of 52% female.



Source: Mercer Survey of Employer-Sponsored Health Plans 2012

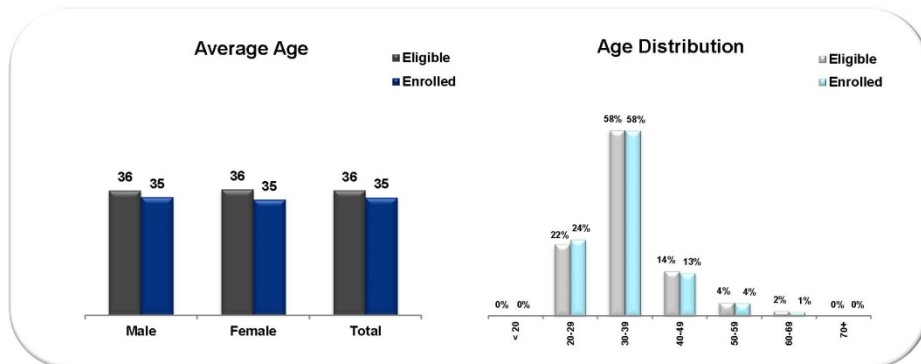
MARSH & McLENNAN AGENCY, LLC

May 19, 2016

2

Employee Age

- ABC Company's current eligible population is younger than the national average of 41.
- The largest age band is 30 to 39 years old.



Source: Mercer Survey of Employer-Sponsored Health Plans 2012

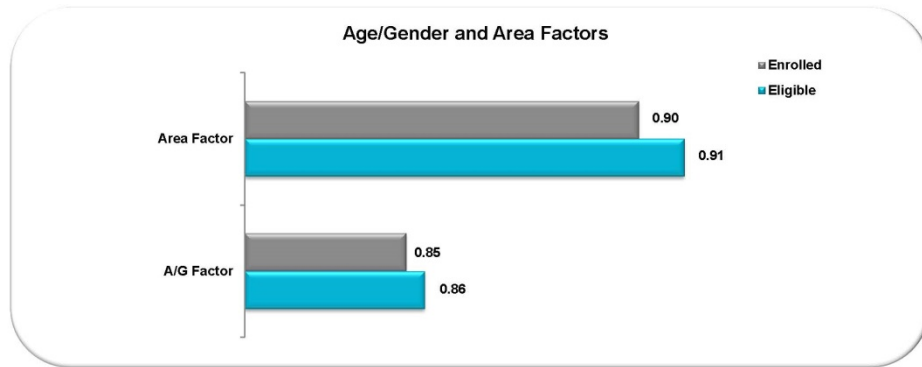
MARSH & McLENNAN AGENCY, LLC

May 19, 2016

3

Age/Gender And Geographic Area Factors

- ABC Company's current eligible population is lower than the national average of 1 for Age/Gender and Area.
- ABC Company's enrolled population has the slightly lower demographic factor than the eligible population for Area Factor and Age/Gender factor.



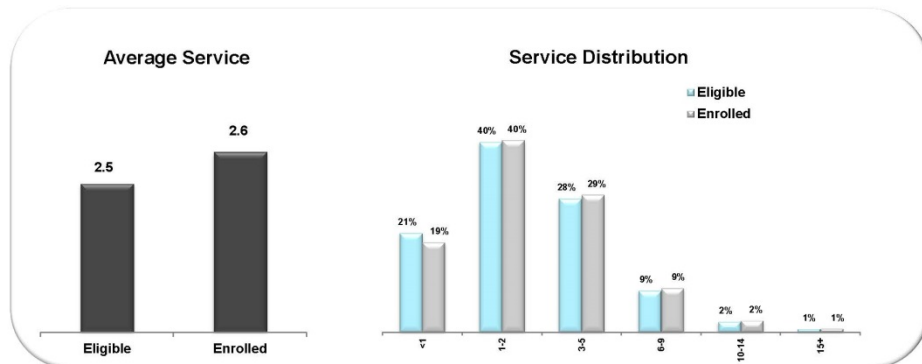
MARSH & McLENNAN AGENCY, LLC

May 19, 2016

4

Years Of Service

- ABC Company's current eligible population has lower average service than the national average of 4.6 years.
- The largest service band is 1-2 of service.



Source: Bureau of Labor Statistics, 2012 Employee Tenure Summary

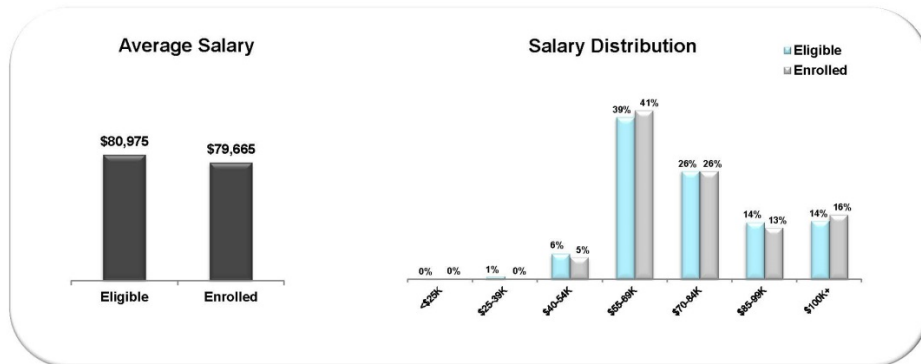
MARSH & McLENNAN AGENCY, LLC

May 19, 2016

5

Employee Salary

- ABC Company's current eligible population has a higher average salary than the national average of \$45,790.
- The largest salary band is \$55-69K.



Source: May 2012 National Occupational Employment and Wage Estimates

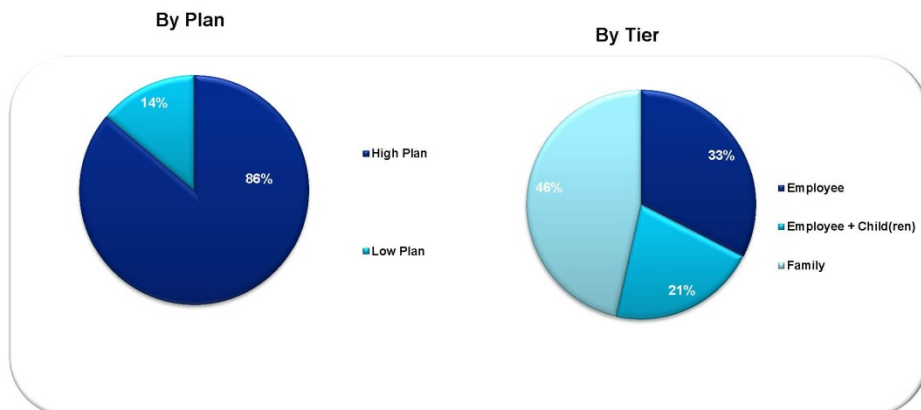
MARSH & McLENNAN AGENCY, LLC

May 19, 2016

6

Enrollment By Plan And Tier

- ABC Company's current Single enrollment is lower than the national average of 43%.



Source: Mercer Survey of Employer-Sponsored Health Plans 2012

MARSH & McLENNAN AGENCY, LLC

May 19, 2016

7

SAMPLE CLAIM REPORTS

ABC Company
Summary of Aetna Claims
(1/1/xx - 12/31/xx and 10/1/xx - 12/31/xx*)

Claims Recap	Total Group	Traditional Active (10-001)	Traditional COBRA (10-002)	Prudent Active (11-001)	Prudent COBRA (11-002)	Healthy Choice Active (13-001)	Healthy Choice COBRA (13-002)
Aetna 1/1/xx - 12/31/xx							
Total Paid Claims	\$6,798,267	\$4,111,462	\$209,489	\$2,159,849	\$2,321	\$314,511	\$635
Claims PEPY	\$7,675.15	\$9,189.33	\$21,124.96	\$7,165.66	\$2,320.87	\$2,511.06	\$847.19
Claims PEPM	\$639.60	\$765.78	\$1,760.41	\$597.14	\$193.41	\$209.26	\$70.60
Claims PMPY	\$3,520.90	\$4,454.05	\$14,874.97	\$3,098.04	\$1,547.25	\$1,071.89	\$401.30
Claims PMPM	\$293.41	\$371.17	\$1,239.58	\$258.17	\$128.94	\$89.32	\$33.44
Average # of Employees	886	447	10	301	1	125	1
Average # of Members	1,931	923	14	697	2	293	2
YTD Surplus/Deficit (Claims Paid vs. Maximum Liability)	\$2,349,461	\$509,082	\$107,081	\$953,260	\$8,007	\$979,082	\$7,111
YTD Loss Ratio	74%	89%	205%	69%	22%	24%	8%
Claims Recap	Aetna 10/1/xx - 12/31/xx*						
Total Paid Claims	\$1,898,263	\$1,101,627	\$23,643	\$693,258	\$341	\$79,394	\$0
Claims PEPY	\$2,043.34	\$2,622.92	\$2,728.04	\$1,951.01	\$341.47	\$555.20	\$0.00
Claims PEPM	\$681.11	\$874.31	\$909.35	\$650.34	\$113.82	\$185.07	\$0.00
Claims PMPY	\$937.88	\$1,291.47	\$1,970.25	\$850.97	\$113.82	\$234.66	\$0.00
Claims PMPM	\$312.63	\$430.49	\$656.75	\$283.66	\$37.94	\$78.22	\$0.00
Average # of Employees	929	420	9	355	1	143	1
Average # of Members	2,024	853	12	815	3	338	3
YTD Surplus/Deficit (Claims Paid vs. Maximum Liability)	\$503,463	\$15,809	\$1,237	\$225,379	\$2,244	\$290,302	\$2,585
YTD Loss Ratio	79%	101%	106%	75%	7%	21%	0%

* Claims thru 12/31/xx.

Prepared by Marsh & McLennan Agency LLC

ABC COMPANY
Aetna Health Plan
Medical Claim Report - Per Employee Per Month (Prudent-001)
Prudent (11-001)
Running 12-Months: January 1, 20xx through December 31, 20xx

Month/Year	# of Members	# of Employees*	CLAIMS LIABILITY		CLAIMS PAID				CLAIMS PAID VS. CLAIM LIABILITY			INDIVIDUAL STOP-LOSS CLAIMS	FIXED COSTS	CLAIM COST		
			(1) Monthly Attachment Liability PEPM 10/1/xx to 9/30/xx: \$860.24 10/1/xx to 9/30/xx: \$861.76	(2) Cumulative Attachment Level	Monthly Claims Paid**			(3a+b+c) Total Claims Paid	(4) Cumulative Claims	(5) Surplus (or Deficit)	(6) YTD Surplus (or Deficit)	(7) YTD Loss Ratio	(8) Stop-loss Claims (Beginning 10/1/xx: Stop-loss Level is \$175,000)	(9) Premiums/Fees PEPM 10/1/xx to 9/30/xx: \$58.34 10/1/xx to 9/30/xx: \$60.33	PMPM	PEPM
					(3a)*** Medical	(3b)*** Rx	(3c) Mental Behavior (MBH)									
January-2014	608	264	\$227,103	\$227,103	\$134,462	\$16,261	\$339	\$151,062	\$151,062	\$76,041	\$76,041	67%	\$0	\$15,402	\$248.46	\$572.20
February-2014	632	274	\$235,706	\$462,809	\$77,320	\$18,291	\$1,211	\$96,823	\$247,884	\$138,883	\$214,925	54%	\$0	\$15,985	\$153.20	\$353.37
March-2014	649	280	\$240,867	\$703,676	\$123,695	\$25,965	\$22,526	\$172,186	\$420,071	\$68,681	\$283,605	60%	\$0	\$16,335	\$265.31	\$614.95
April-2014	662	283	\$243,448	\$947,124	\$93,962	\$21,310	\$7,916	\$123,187	\$543,258	\$120,280	\$403,868	57%	\$0	\$16,510	\$186.08	\$435.29
May-2014	675	291	\$250,330	\$1,197,454	\$151,872	\$32,110	\$7,578	\$191,560	\$734,819	\$58,769	\$462,635	61%	\$0	\$16,977	\$283.79	\$658.28
June-2014	679	288	\$247,749	\$1,445,203	\$124,132	\$26,020	\$3,412	\$153,564	\$888,383	\$94,165	\$556,820	61%	\$0	\$16,802	\$226.16	\$533.21
July-2014	670	287	\$246,889	\$1,692,092	\$232,317	\$14,061	\$1,284	\$247,662	\$1,136,045	(\$773)	\$556,047	67%	\$0	\$16,744	\$369.64	\$862.93
August-2014	665	287	\$246,889	\$1,938,981	\$117,934	\$33,208	\$1,584	\$152,727	\$1,288,771	\$94,162	\$650,210	66%	\$0	\$16,744	\$229.66	\$532.15
September-2014	682	297	\$255,491	\$2,194,472	\$148,803	\$27,137	\$1,880	\$177,820	\$1,466,591	\$77,671	\$727,881	67%	\$0	\$17,327	\$260.73	\$598.72
October-2014	815	356	\$306,787	\$2,501,259	\$128,462	\$18,608	(\$1,846)	\$145,224	\$1,611,816	\$161,562	\$889,443	64%	\$0	\$21,477	\$178.19	\$407.93
November-2014	809	355	\$305,925	\$2,807,184	\$223,131	\$40,410	\$2,274	\$265,815	\$1,877,631	\$40,109	\$929,553	67%	\$0	\$21,417	\$328.57	\$748.78
December-2014	820	355	\$305,925	\$3,113,108	\$244,696	\$30,909	\$6,613	\$282,218	\$2,159,849	\$23,707	\$953,260	69%	\$0	\$21,417	\$344.17	\$794.98
Total	697	301	\$3,113,108	\$3,113,108	\$1,800,786	\$304,290	\$54,772	\$2,159,849	\$2,159,849	\$953,260	\$953,260	69%	\$0	\$213,137	\$258.17	\$597.14
Claims PEPM					\$2,159,849											
Claims PEPM					\$597.14											
Claims PMPM					\$3,098.04											
Claims PMPM					\$258.17											

* Estimated Employee counts are unrounded and exclude retroactive changes. Audited counts will be used for accounting results and renewal rate derivation.
** Pooled claims not included - pooling level is \$175,000 per individual and \$60,000 specific. ISL includes both Medical and Prescription.
*** Adjusted recorded claims
(9) Includes Network Access Fee, HIPAA Fee, and Stop Loss Premium. Stop Loss Premium is payable to MunichRe (Calmstone).

Prepared by Marsh & McLennan Agency LLC

ABC Company
[Carrier Name]
High Level Claim Summary Claims in Excess of \$25,000
Plan Year Period: 12/1/xx - 11/30/xx

Relation	Diagnosis	Status	Amount
Spouse	Subend Infarct-Initial	Ongoing	\$202,586.96
Employee	Fractured Vertebra	Ongoing	\$55,985.46
Employee	Regional Enteritis nos	Ongoing	\$53,353.29
Spouse	Pregnancy, Childbirth and the Puerperium	Completed	\$40,417.57
Employee	Prostate CA	Completed	\$34,434.11
Total	N/A	N/A	\$386,777.39

COMPLIANCE UPDATES AND NEWSLETTERS



COMPLIANCE UPDATE, APRIL 12, 2018

CMS EXTENDS TRANSITION RELIEF FOR NON-COMPLIANT PLANS THROUGH 2019

On April 9, 2018, the Centers for Medicare & Medicaid Services (CMS) announced a [one-year extension](#) to the transition policy (originally announced November 14, 2013 and extended several times since) for individual and small group health plans that allows issuers to continue policies that do not meet ACA standards. The transition policy has been extended to policy years beginning on or before October 1, 2019, provided that all policies end by December 31, 2019. This means individuals and small businesses may be able to keep their non-ACA compliant coverage through the end of 2019, depending on the policy year. Carriers may have the option to implement policy years that are shorter than 12 months or allow early renewals with a January 1, 2019 start date in order to take full advantage of the extension.

BACKGROUND

The Affordable Care Act (ACA) includes key reforms that create new coverage standards for health insurance policies. For example, the ACA imposes modified community rating standards and requires individual and small group policies to cover a comprehensive set of benefits. Millions of Americans received notices in late 2013 informing them that their health insurance plans were being canceled because they did not comply with the ACA's reforms. Responding to pressure from consumers and Congress, on Nov. 14, 2013, President Obama announced a transition relief policy for 2014 for non-grandfathered coverage in the small group and individual health insurance markets. If permitted by their states, the transition policy gives health insurance issuers the option of renewing current policies for current enrollees without adopting all of the ACA's market reforms.

TRANSITION RELIEF POLICY

Under the original transitional policy, health insurance coverage in the individual or small group market that was renewed for a policy year starting between Jan. 1, 2014, and Oct. 1, 2014 (and associated group health plans of small businesses), will not be out of compliance with specified ACA reforms. These plans are referred to as "grandmothered" plans.

To qualify for the transition relief, issuers must send a notice to all individuals and small businesses that received a cancellation or termination notice with respect to the coverage (or to all individuals and small businesses that would otherwise receive a cancellation or termination notice with respect to the coverage).

The transition relief only applies with respect to individuals and small businesses with coverage that was in effect since 2014. It does not apply with respect to individuals and small businesses that obtain new coverage after 2014. All new plans must comply with the full set of ACA reforms.

ONE-YEAR EXTENSION

According to CMS, the extension will ensure that consumers have multiple health insurance coverage options and states continue to have flexibility in their markets. Also, like the original transition relief, issuers that renew coverage under the extended transition relief must, for each policy year, provide a notice to affected individuals and small businesses.

WORLD CLASS. LOCAL TOUCH.

Under the transition relief extension, at the option of the states, issuers that have issued policies under the transitional relief in 2014 may renew these policies at any time through October 1, 2019 and affected individuals and small businesses may choose to re-enroll in the coverage through October 1, 2019. Policies that are renewed under the extended transition relief are not considered to be out of compliance with the following ACA reforms:

- community premium rating standards, so consumers might be charged more based on factors such as gender or a pre-existing medical condition, and it might not comply with rules limiting age banding (PHS Act section 2701);
- guaranteed availability and renewability (PHS Act sections 2702 & 2703);
- if the coverage is an individual market policy, the ban on preexisting medical conditions for adults, so it might exclude coverage for treatment of an adult's pre-existing medical condition such as diabetes or cancer (PHS Act section 2704);
- if the coverage is an individual market policy, discrimination based on health status, so consumers may have premium increases based on claims experience or receipt of health care (PHS Act section 2705);
- coverage of essential health benefits or limit on annual out-of-pocket spending, so it might not cover benefits such as prescription drugs or maternity care, or might have unlimited cost-sharing (PHS Act section 2707); and
- standards for participation in clinical trials, so consumers might not have coverage for services related to a clinical trial for a life-threatening or other serious disease (PHS Act section 2709).

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About the Author: This alert was prepared for Marsh & McLennan Agency by Marathas Barrow Weatherhead Lent LLP, a national law firm with recognized experts on the Affordable Care Act. Contact Peter Marathas or Stacy Barrow at pmarathas@marbarlaw.com or sbarrow@marbarlaw.com.

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APRIL 2018 HEALTHY TIP

National Humor Month

National Humor Month was founded in 1976 by best-selling humorist Larry Wilde, Director of The Carmel Institute of Humor, as a way to raise awareness of the therapeutic value that laughter can have on health, morale, communication skills, and the quality of one's life. The use of laughter and humor as tools to lift ailing spirits is growing. Scientific research frequently indicates that laughter aids in healing and relieving stress. Seems the old proverb "Laughter is the best medicine" just might have some truth to it!



In the last few decades, researchers have studied laughter's effects on the body and turned up some interesting information on how it affects us:

Stress Reliever: Laughter reduces the level of stress hormones like cortisol, epinephrine (adrenaline), dopamine, and growth hormones; while increasing the level of health-enhancing hormones like endorphins and neurotransmitters. This may result in fewer physical effects of stress on your body. Coping with stress using humor can come in handy at work. Important meetings, presentations or job interviews can be very stressful. Loosening up with a couple of chuckles beforehand sharpens your concentration and pleasantly prepares you with a positive and upbeat outlook.

Boost Immunity: Increased stress is associated with decreased immune system response. Some studies have shown that humor may raise the level of infection-fighting antibodies in the body and boost the levels of immune cells.

Physical Release: Have you ever felt like you "have to laugh or I'll cry"? Have you experienced the cleansed feeling after a good laugh? Laughter provides a physical and emotional release.

Distraction: Laughter brings the focus away from anger, guilt, stress, and negative emotions in a more beneficial way than other types of distractions.

Perspective: Have you ever looked back on a troubling or difficult event from your past, and laughed about it? While going thru a difficult time, it might help to remember that time and distance can change your point of view about a situation and what seemed awful at the time may seem less so later on.

And just what the doctor ordered...here is a chuckle to brighten your day:

Why did the storm trooper buy an iPhone? He couldn't find the Droid he was looking for!

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APRIL 2018 FOOD OF THE MONTH FENNEL

This month, we shine the spotlight on a lesser-known vegetable that deserves its own spot on stage: fennel. Fennel is related to coriander, carrots, and dill, and all parts of the plant – bulb, stalk, leaves, and seeds – are edible. The plant has a white bulb, green stalk, and feathery green fronds. Fennel seeds are often found as an ingredient in Indian spice mixes and Italian sausage. Fennel can be eaten raw or cooked. Raw fennel is crunchy in texture (like celery) and has a taste similar to anise or licorice; when cooked, the vegetable softens and its flavors become sweeter and milder.



Fennel is a powerful antioxidant and a source of Vitamin C, fiber, folate, potassium, and manganese. Even though manganese is only found in minuscule amounts in the body, it plays a very important role as an activator of many metabolic enzymes.

Nutrition Tidbits for Fennel:

1 cup of sliced raw fennel contains:

- **Calories:** 78 kcal
- **Fat:** 0.2 g
- **Carbohydrates:** 6.3 g
- **Protein:** 1.1 g
- **Fiber:** 2.7 g
- **Glycemic Index (GI):** Low (Below 55)

When buying fresh fennel, look for firm white bulbs with green stalks and leaves and no flowers. Store them in the refrigerator and use them up within a few days. Although they can be blanched and frozen, this is not ideal since the vegetable loses a lot of flavor in the process.

Ways to Include More Fennel in Your Diet

- Add raw sliced fennel to salads or as sandwich filling
- Serve braised or roasted fennel as a side with seafood dishes
- Add grated fennel to stir-fries, soups, or stews
- Add fennel to your favorite stuffing mix

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Arugula, Fennel, and Orange Salad

Ingredients:

- 1 tablespoon honey
- 1 tablespoon lemon juice
- 1/2 teaspoon salt
- 1/2 teaspoon ground black pepper
- 1/4 cup olive oil
- 1 bunch arugula
- 2 orange, peeled and segmented
- 1 bulb fennel bulb, thinly sliced
- 2 tablespoons sliced black olives



Instructions:

- Whisk together the honey, lemon juice, salt, and pepper; slowly add the olive oil while continuing to whisk.
- Place the arugula in the bottom of a salad bowl; scatter the orange segments, fennel slices, and olives over the arugula; drizzle the dressing over the salad to serve.

Source: *All Recipes*

<https://www.allrecipes.com/recipe/174365/arugula-fennel-and-orange-salad/print/?recipeType=Recipe&servings=6&isMetric=false>

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BENEFITS NEWS AND VIEWS

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- Keeping Flu at Bay Among Your Workforce
- IRA Contribution Trends, Asset Allocation

AMAZON, JPMORGAN, BERKSHIRE TIE-UP COULD SHAKE UP HEALTH CARE AS WE KNOW IT

In a move that could either reshape health care delivery in America or barely register as a blip, three corporate and financial giants have unveiled a new company that they hope will reduce health care costs.

Amazon, Berkshire Hathaway, and JPMorgan Chase, which seem to have had enough with high health insurance costs for their employees, are instead taking the bull by the horns and say they will take a new approach to health care for their workers.

In announcing the venture, Berkshire Hathaway chairman and CEO Warren Buffett said that continuously climbing health care costs are "a hungry tapeworm on the American economy."

The move was greeted with excitement, with hopes that the trio of big hitters could bring an innovative approach to cost-containment that could be replicated for other employers around the country.

Without providing much in terms of details, that said they would leverage their combined scale and expertise to develop technologies that would allow their employees and dependents to enjoy "simplified, high-quality, and transparent healthcare at a reasonable cost."

Many observers are hoping that fresh sets of eyes will be able to take a creative approach to funding insurance coverage and delivering health care for less as cost inflation continues unabated.

The big question is how they will be able to influence pricing, particularly considering that there have been many different approaches to funding reimbursement to providers and none has yielded a method that seriously controls costs and cost inflation.

TACKLING COSTS FROM THE TECH ANGLE

The trio of companies, however, seems to be more interested in approaching the cost question from the technology angle. Amazon is already heavily involved in tech and e-commerce, and the banking industry (of which Chase is a member) is light years ahead of the health industry in terms of technology and user-friendly consumer interfaces.

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KEEPING FLU AT BAY AMONG YOUR WORKFORCE

This year is one of the worst flu seasons in the past decade, and that means you may end up having a number of employees who are off sick at the same time.

If the flu takes hold among your employees, it can quickly spread and force even more people than usual to take time off to get better. While it's impossible to stop the flu from spreading in society, as an employer you can prepare for absences and also take steps to keep the virus from taking hold in your workplace.

Here's what you can do to reduce the flu's spread among your workforce.

URGE YOUR STAFF TO GET A FLU SHOT

It's not too late to get vaccinated. After a flu shot, it takes about two weeks for your body to develop antibodies. The winter – even this late in the season – is the best time to get the shot for the most long-lasting effectiveness.

No flu vaccine is 100% effective, so a flu shot is not a guarantee that your worker will not get sick. For example, the vaccine for the 2016-2017 flu season was only 48% effective.

URGE EMPLOYEES TO STAY HOME IF SICK

The flu is often accompanied by a fever or nausea. Advise your workers to stay at home if they are feeling these symptoms because if they come to work with the early stages of influenza, they are most susceptible to spreading it. In fact, the flu virus remains contagious for seven days. If employees suspect the flu, encourage them to seek medical attention – the sooner the better!



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Tell them that while they feel they may be able to put in a full workday, not only is their work quality likely to suffer, but they can exacerbate their symptoms and put other staff at risk. Emphasize that their job won't be at stake if they call in sick with the flu.

HAVE REPLACEMENT PERSONNEL FOR KEY POSITIONS

We're not talking about keeping someone on stand-by that doesn't work at your organization. But for critical posts, it makes good business and risk management sense if you have more than one person trained to perform critical job functions at your facility.

If you don't have someone trained for their job, you risk having a interruption, throwing your production schedule off track.

CONSIDER TELECOMMUTING

For workers with mild flu symptoms who are staying at home, consider a telecommuting arrangement. They can hold video meetings on Skype and, if you have a VPN set up, they can access your database and their work.

STOCK UP ON HAND SANITIZER

People who have just contracted the flu, but may not know it yet, can spread the virus through sneezes and touching surfaces that others may touch (think doorknobs).

Place bottles of hand sanitizer or sanitizing wipes in various places at your facility. Make sure if you provide wipes that employees don't need to open a lid to get at them (that's just one more point of contact for the flu virus to populate and wait for the next victim).

Germ-killing wipes can also be used on non-porous surfaces, such as door handles and workbenches.

ORDER ANTIVIRAL FACEMASKS

While most facemasks are only really good in not spreading the disease of the wearer, there are a few antiviral facemasks on the market that actually protect the wearer.

Curad's Antiviral Facemask, for example, "inactivates 99.99% of tested strains of influenza viruses on five minutes contact with the surface of the facemask in laboratory (in-vitro) tests against ... seasonal, pandemic, avian, swine, and equine influenza viruses."

HUMIDIFY YOUR AIR

The flu virus thrives in cold and dry environments and you can thwart it by installing a humidifier in your workplace.

IRA CONTRIBUTION TRENDS, ASSET ALLOCATION

Most people who have individual retirement accounts do not make contributions every year.

However, researchers at the Employee Benefits Research Institute found that over 50% of people who did contribute chose to pay the maximum amount.

Their research showed that people who had an IRA for five years or longer were more likely to contribute.

IRA CONTRIBUTION TRENDS

With traditional IRA owners, more than 85% did not contribute anything during the first five years. Of those who did contribute, only a small fraction contributed consistently for each of the five years.

With Roth IRA owners, about 60% did not contribute anything during the five-year period.

However, about 10% contributed for all five years. Roth owners who were in their twenties were the biggest group of contributors.

The amount of IRA owners who contributed the maximum amount rose from just over 40% in 2010 to more than 56 percent in 2016. Increases were consistent for each type of IRA.

However, those who owned traditional IRAs were more likely to contribute.

IRA BALANCES

The average account balance increased by about 56% between 2010 and 2016. Of those who maintained their IRAs for the entire period, the average account balance growth was more than 45%.

IRA WITHDRAWALS

From 2010 to 2016, the percentage of people taking withdrawals from traditional IRAs increased by about 18%. This was likely due to people reaching the minimum distribution requirement.

IRA ASSET ALLOCATION

From 2010 to 2016, the percentage allocated to equities ultimately rose to more than 60% from 45%. The significant shift is likely due to more people gravitating towards the booming stock market.

Individual retirement accounts are the most popular form of retirement plan asset used in the United States today, with more than 25% of the nation's retirement assets accounted for in such plans.

The EBRI developed its database of IRA information to get a better look at IRA contribution behavior and patterns of use among participants. The information gathered and reported is used by IRA providers across the country to understand what consumers are doing and what changes must be made to benefit them.



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BENEFITS NEWS AND VIEWS

IN THIS ISSUE

- Employers Appeal To Evolving Workforce With Modernized Benefits And Technology
- When it Comes To Health Care Spending, America is Number One
- What Workers Worry About: Top Priorities For Retirement
- Disability Benefits: Important but Overlooked Part of Employee Benefits Package

EMPLOYERS APPEAL TO EVOLVING WORKFORCE WITH MODERNIZED BENEFITS AND TECHNOLOGY

As the recent election results show the potential for major changes to health care and health insurance, employers will likely continue improving benefits in 2017 and beyond. Their main mission is to attract and keep top workers by providing more choices and better choices in their benefits packages. Also, they hope to cater to millennials by offering a better experience through technology changes.

In 2015, the Bureau of Labor Statistics said that millennials were the largest part of the workforce. By 2020, they are expected to comprise over 40 percent of the workforce. Although cost management will still be the top priority for employers in the near future, they also plan to prioritize their benefits packages.

Since finding an attractive one-size-fits-all approach is nearly impossible today, this will be a challenge that creates competition. However, experts point out that employers have a wide array of technologies available now to help them teach workers about benefits and also to manage or track their benefits. These are the top five trends predicted for 2017.

Employers will shift from standard benefits to offering more customized choices. Younger workers today know what they want and need, and they are likely to accept employment offers from companies that can meet those needs.

From short-term disability benefits to transgender-included medical, companies also have more choices of options to offer.

Employers plan to attract younger workers with voluntary benefits. Employers used to provide voluntary benefits using baby boomers as their inspiration. Dental, vision, and life insurance were the main priorities. However, they must now focus on options such as student loan repayment assistance, pet insurance, identity theft protection, and other newer provisions.

Everything from legal assistance to hospital indemnity benefits for aiding a worker's aging parent may be offered. One of the best perks about voluntary benefits for employers is that they cost very little to offer since employees pay for them. Also, employees benefit because they get a discount for paying as a group.

Employers will offer more innovative technology benefits. Online health premium payments, benefits trackers, and apps are just a few of the many tools used today to attract bright young workers. Recommendation engines, out-of-pocket cost calculators, and other mobile apps make health care planning easier for workers.

Also, some companies now offer activity trackers, nutrition planning programs,

and wearable fitness devices for their workers. Another growing trend is using social media to inspire workers to keep exercising and staying healthy, and some employers sweeten the pot by offering health contests and rewards.

Employers will continue seeing well-being as a holistic health aspect. Physical well-being was the focus of the past. However, well-being today is shifting more toward social, emotional, mental, physical, and even financial health. Broader types of counseling programs are offered, and employers may offer financial classes for the workforce.

There may also be more resources for anxiety, depression, and addiction. Company owners understand that workers are most productive when they are at optimal overall health. By incorporating a more holistic approach into the benefits package as well as the company culture, employers can expect to see better results.

Employers will use private benefit exchanges to meet workforce needs. Offering personalized benefits to a workforce that includes three separate generations is easier with more qualified vendor choices and a broader range of educational tools.

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WHEN IT COMES TO HEALTH CARE SPENDING, AMERICA IS NUMBER ONE

The good news is that the United States is able to devote more spending to health care than any other country in the world. The bad news is that the United States spends more on health care than any other country in the world.

WHY DOES HEALTH CARE COST SO MUCH?

According to a recent report published in the Journal of the American Medical Association, Americans spent \$2.9 trillion in 2014, representing over 17 percent of the total economy. On a per capita basis, American consumers, employers, and insurers together spent more than \$9,110 per person. Naturally, these spending levels eventually must be reflected in health insurance premiums, taxes, reduced savings or budget deficits.

TOP SPENDING CATEGORIES

What are we spending so much money on? Cardiovascular disease topped the list: The cost of treating general cardiovascular disease reached more than \$231 billion in 2013 - and that doesn't even include treating high cholesterol and high blood pressure. 57.3 percent of this spending was for inpatient services, and 65.2 percent was for Medicare and other patients ages 65 and older.

The second most expensive disease that year was diabetes, urogenital, blood and endocrine-related diseases. Treating these diseases consumed more than \$224 billion in 2013, reports the Journal. This spending was distributed relatively evenly between inpatient, ambulatory care, and retail drug expenses.

OTHER HIGHLIGHTS

Spending on musculoskeletal disorders is increasing fast - accelerating some 5.4 percent in 2013, the year covered by the study.

More personal health care spending was devoted to managing diabetes than any other condition, with the common condition costing Americans as much as \$101.4 billion in 2013. Those aged 45 and older represented 87.1 percent of spending.

Ischemic heart disease (IHD) accounted for \$88.1 billion, mostly in inpatient care settings. Again, IHD spending excludes spending on high blood pressure and cholesterol management. Spending on these two risk factors alone accounted for 83.9 billion and \$51.8 billion, respectively.

Lower back and neck pain was the third most expensive category of health care spending, costing Americans up to 87.6 billion.

While no single form of cancer dominated the list of the most expensive conditions for the American health care system, the Agency for Healthcare Research and Quality estimates that 2013



direct care cancer costs reached \$74.8 billion, out of which 43.7 percent was spent on outpatient treatment, 39.7 percent on hospital stays and 11.7 percent on prescription drugs.

Overall, the cost of cancer treatment is expected to reach \$158 billion by the year 2020, according to the National Institutes of Health.

WHAT YOU CAN DO

The best thing most individuals can do is manage their diet and exercise to maintain a normal and healthy weight, as well as cease smoking. These actions alone substantially reduce the risk of most of the costliest medical conditions. Obesity alone is thought to be responsible for more than \$200 billion per year in excess health care costs, according to Harvard University research - or about 21 percent of all health care spending.

At the individual level, obesity is extremely expensive: Obese people spent \$2,741 more per person per year, on average, than non-obese people - a difference of 150 percent.

Meanwhile, the Centers for Disease Control & Prevention calculate that smoking costs more than \$170 billion in directed medical care costs each year, spread across several medical conditions.

WHAT WORKERS WORRY ABOUT: TOP PRIORITIES FOR RETIREMENT

Transamerica Center for Retirement Studies recently released a report about the outlook for soon-to-be retirees and people who plan to retire in the distant future. According to the study's findings, only about 40 percent of workers had recovered since the Great Recession of the late 2000s. This number was up slightly since the previous year's similar survey. However, this shows that the majority of Americans are still struggling to recover and save for retirement, and many have had to postpone their plans to retire because of financial difficulties. Most people today are concerned especially about what may happen to Social Security in the years to come or if it will still exist. These were some of the key findings from the study.

Most workers were not very confident about retirement. More than 45 percent of respondents said that they might be able to retire with a comfortable lifestyle. Only 15 percent were "very" confident, and the remainder were hopeful that they would retire comfortably. Confidence has not been a rising factor since 2014.

Future retirees are concerned about both health and finances. When asked about their top fears, most participants said that outliving their retirement savings was their top fear. Also, many people cited Social Security reductions or elimination as a major fear. Declining health that requires long-term care was another notable concern.

Any saved money will not last long. The average baby boomer has about \$147,000 saved. About 20 percent of this generation has less than \$50,000 saved. With rising health care costs and an ever-increasing cost of living, savings may only last several years.

Most people plan to work beyond the age of 65. Nearly 55 percent of respondents said that they would work past the age of 65, and over 10 percent did not have plans to retire at all. Although these percentages were lower than those reported in 2015, it is still troubling to researchers that so many people do not see retirement as a possibility.

The researchers emphasized that they do not view any American as average. They pointed out that every person has a unique situation, income, health status, and family responsibilities. In their research, they also found that people who worked for larger companies had more access to employer-sponsored benefits, which usually feature better coverage for a lower price.

When researchers interviewed millennials about their plans for retirement, the majority responded that they would rely on IRAs for income. However, most baby boomers cited Social Security as their main expected form of income. This shows the lack of confidence in the younger working generation that Social Security will exist or offer ample income in the future.

Also, researchers said that women were more likely than men to not reach their retirement savings goals. Both men and women

in low-income jobs were less likely to save for retirement. Savings confidence also varied by ethnicity with Asians being the most confident and Hispanics being the least confident. However, people from all ethnic backgrounds who had a higher education were more likely to feel confident about saving for retirement. Researchers plan to continue this study in the years to come to better identify retirement savings risks among Americans. To learn more about how you can save for retirement, contact your MMA account manager.

DISABILITY BENEFITS: IMPORTANT BUT OVERLOOKED PART OF EMPLOYEE BENEFITS PACKAGE

When eligible candidates consider taking a job with a company, they usually look closely at the health benefits. Also, they generally read the retirement plan and look at other perks such as vacation days and sick days. However, very few people consider disability benefits or even bother to ask about them.

Although most employees do not think of disability benefits as an important asset, statistics show that 25 percent of people who are 20 years old now will become disabled before they reach an age that makes them eligible for collecting retirement income. The Employee Benefits Survey of 2016 found that most employers still offer disability benefits in their packages whether workers choose to consider them or not. Here's a recap of the survey:

- Employers offering these important benefits know the risks of workplace accidents and even chronic health issues that are common and cause long-term disabilities.
- Employers also know that there are a wide variety of temporary disabilities, and they want to make sure that workers can still receive a paycheck while they recover.
- **Short-term disability benefits** are offered by about 75 percent of employers in the United States. These benefits help employees afford their living expenses and medical costs while they recover. Short-term disability benefits typically lasted for 26 weeks with most employers. Some employers offered the benefits for 13 weeks instead. Less than 15 percent of employers offered short-term disability benefits that lasted for a period shorter than 13 weeks. About 40 percent of the surveyed organizations did not require service periods, which means that workers were eligible to receive benefits immediately after being injured or falling ill once they were hired. In most cases, short-term disability payments are calculated

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continued from page 3...Disability Benefits: Important but Overlooked Part of Employee Benefits Package

based on a fixed percentage of earnings, and some are calculated by a fixed amount of money.

- Almost 65 percent of employers surveyed offered **long-term disability benefits**. However, this benefit was more common among corporations with almost 90 percent of corporate respondents offering it. About 75 percent of public employers offered it, and slightly more than 20 percent of multi-employer plans offered it. About 35 percent of employers did not require a service period for eligibility. About 20 percent of employers had a service period of a month or less, and about 20 percent had a service period between 90 and 180 days. Organizations typically used a fixed earning percentage to calculate long-term disability benefits. Most companies offered these benefits to people who were age 65 or younger.
- More than 65 percent of employers said that they still offered health benefits when employees were on disability leave. Only about 25 percent offered coverage for the entire duration of the leave. The remainder offered coverage for periods between 90 days and a year.
- About 50 percent of employers kept life insurance benefits intact for disabled employees, and more than 20 percent continued to allow pension accrual. Some also continued matching contributions and allowed vacation time to accrue.

Employees should carefully review their disability benefits at work if they are offered so if unfortunately, they meet an accident while at work, they know what to claim. To learn more about these valuable benefits, contact your MMA account manager.

For more information about Employee Benefits and other solutions from Marsh & McLennan Agency, visit marshmclennanagency.com, or contact your local representative.

JOHN CICCHELLI
Executive Vice President of Sales
Employee Benefits:
Northeast
+1 866 381 8947
JCicchelli@mma-ne.com
www.mma-ne.com

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